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Meeting Human Needs: Corporate Programs and Partnerships

by Kathryn Troy

A Research Report from The Conference Board
Corporate Relations Program

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Highlights

Major Findings

In a period when cost containment is an important internal corporate priority and funds to provide human services are scarce in many communities, firms are responding positively but cautiously when they are pressed to become more involved in meeting human needs. This is true both at the workplace and in the community.

Responses from more than **500 human-resource executives** reveal that most companies offer their employees special services related to personal needs:

- Over 80 percent of the companies offer counseling, and these services are usually packaged to include several areas (e.g., alcohol and drug abuse, marital and family problems, preparation for retirement). This does not mean that the firms are developing internal counseling capabilities, however. More often, they refer employees to outside services, or they maintain a contract with an outside provider.
- Nearly 40 percent of the firms offer some form of child-care assistance, most often information and referral services.
- The physical well-being of employees is addressed through fitness programs, offered by about half of the companies. Companies say that participation rates for fitness programs often range from 10 to 33 percent of eligible employees, while fewer than 10 percent utilize child-care or counseling services.
- Few companies expect their employees to absorb the cost for counseling or fitness programs, although they are sometimes asked to share payment. Generally, employees are not charged for child-care information and referral services, but are expected to pay the actual cost of care.

Almost half of the **330 contributions executives** responding to the survey say that there has been a recent assessment of human-service needs in their headquarters community, and over 100 companies say that they participated in such a study.

- Most of the contributions executives indicate that their companies plan no significant changes in the way they respond to human needs in the communities in which they operate. They say that donations to the annual compaigns of United Way or other federated human-service appeals remain the primary methods used. Nevertheless, few companies have a policy that restricts their human-service giving to federated appeals: Two-thirds of the companies give (on a selective basis) to individual agencies.
- Despite these indications of a "no change" stance among the majority of firms, sizable minorities report initiatives in the recent past, or plans for them in the immediate future: About a third have made a change in the focus of their human-service funding within the last few years to emphasize food, clothing and shelter, family problems (such as domestic violence), and other emerging needs.
- Four out of ten companies say that they will devote an *increased share* of their contributions to new areas in human services in the 1985 to 1988 period.

Findings from **case studies** in three cities reinforce the results of the survey:

How the Study Was Done

Early in 1985, questionnaires were mailed to 1,900 human-resource executives and 1,000 contributions executives in major U.S. manufacturing and service firms. Responses were received from 512 human-resource executives and 331 contributions executives. (See tables on page vi for profiles of the sample.) These responses form the basis for the statistical data reported in this study.

The contributions-executive questionnaire was used to guide the selection of cities for the case-study portion of the research. Responses helped to pinpoint communities that had conducted assessments of human-service needs. They also provided data about who had initiated and participated in the studies, and what the outcomes had been. For example: Had written recommendations been made? Had they been implemented? Had new community coalitions been formed?

Sites that had broad participation (including that of corporations), had written documentation about their studies, and were taking action were chosen as potential candidates. Final selection was made on the basis of community size, geographic distribution, and conversations with corporate executives, and in some cases, United Way executives in that community. The three communities eventually chosen were Danbury, Connecticut, Seattle, Washington, and Charlotte, North Carolina. These are described briefly on page 11.

• Overall, companies are comfortable with their priorities and resist being pulled into large-scale investments in social services beyond United Way. Some executives feel that the time is ripe for a broader debate about the division of responsibilities between public and private sectors in this area.

• Many companies appear to be temporizing. They say they want to be compassionate, but do not want to end up "owning" the human-services problem.

• Firms in these cities support indivdual human-service agencies but feel that their limited resources are best invested in projects that: are short term, targeted to delivery of services rather than to agency administrative costs; capitalize on available resources (cash and noncash); or mobilize other funders (corporations, foundations, government agencies).

• Successful collaborative projects that aided human-service agencies in these cities depended as much upon involvement of corporate executives (raising funds, serving on boards, offering professional expertise) as upon donations of corporate cash.

Profile of Companies Responding to Survey of Human-Resource Executives[1]

Industry	*Number*	*Percent*
Manufacturing:		
Nonconsumer products	103	21%
Consumer durables	43	9
Consumer nondurables	52	11
Total	198	41
Service:		
Financial	185	38%
Transportation	11	2
Utilities	56	12
Other	35	7
Total	287	59
Total Respondents	485	100%
1983 Worldwide Sales		
Under $300 million	129	31%
$300-599 million	77	18
$600 million-1.4 billion	70	17
$1.4-2.9 billion	63	15
$3 billion and over	82	19
	421	100%

[1]There were 512 respondents to the survey, but not every company supplied industry and sales data.

Profile of Companies Responding to Survey of Corporate-Contributions Executives

Industry	*Number*	*Percent*
Manufacturing:		
Chemicals & pharmaceuticals	31	9%
Electrical machinery and equipment	26	8
Food, beverage and tobacco	24	7
Machinery (nonelectrical)	16	5
Paper and related products	13	4
Petroleum and gas	12	4
Primary metals	11	3
Printing and publishing	8	2
Stone, clay and glass	8	2
Transportation equipment	10	3
Other	17	5
Total	176	53*
Service:		
Banking and finance	37	11%
Insurance	40	12
Retail and wholesale trade	14	4
Telecommunications	9	3
Utilities	38	11
Other	17	5
Total	155	47*
Total Respondents	331	100%
1983 Worldwide Sales—For Manufacturing and Selected Service Companies[1]		
Under $300 million	21	10%
$300-599 million	27	13
$600 million-1.4 billion	47	23
$1.4-2.9 billion	38	18
$3 billion and over	75	36
	208	100%
1983 Worldwide Assets—For Banking, Financial, Insurance and Utilitity Companies		
Under $1 billion	15	13%
$1-2.49 billion	20	17
$2.5-4.99 billion	33	28
$5-9.9 billion	21	17
$10 billion and over	30	25
	119	100%

*Detail does not add to total due to rounding.

[1]Retailers and service companies other than those in banking, finance, insurance and utilities.

Why This Report

Americans have always been generous in supporting service agencies that minister to people in need. Donations to social services by individuals, corporations and foundations reached the $5 billion mark at the beginning of the 1980's. Starting in 1981, President Reagan asked states, cities, individuals and the private sector to share the burden of providing social services by working together to develop solutions to problems in their communities.

How has the business community reacted? This study examines the extent of corporate involvement in meeting human needs from a mid-1980's vantage point. Survey data and case studies provide both an overview of how companies help employees with personal problems as well as an in-depth examination of how businesses collaborate with other organizations at the local level to identify human needs and to address social-service planning and funding.

Increasingly, the alternate routes by which human needs should be met in our society are being debated. Part of the public policy discussion revolves around the role—and extent—of government funding for social services. Corporate plans and executives' perceptions about how business should meet human needs are particularly important today as national resolve to reduce the federal deficit strengthens.

The Conference Board thanks the many human-resource and corporate contributions executives who responded to its survey. It is particularly grateful to the corporate, government, United Way, and service agency executives in the cities of Danbury, Connecticut, Charlotte, North Carolina and Seattle, Washington, whose participation formed the basis for case studies of their communities. Their time, interest, enthusiasm and dedication made this report possible. Finally, we thank the United States Department of Health and Human Services, Office of Human Development Services, which provided partial funding for this study.

JAMES T. MILLS
President

Part I
Overview

Chapter 1

Two Corporate Perspectives on Human Needs: Human Resources and Contributions

AS A SOCIAL CONDITION, "welfare" is anathema to many Americans, among them the nation's corporate executives—to some, it connotes long-term dependency. Nevertheless, the welfare of employees and communities seem to be increasingly pressing corporate concerns. Inside the corporation, the impacts of trade deficits, stronger foreign competition, plant obsolescence, and other factors require more emphasis on employee productivity, cost cutting and, in some cases, a substantial reduction in jobs.[1]

Outside the corporation, nonprofit service agencies, whose job it is to help residents of local communities achieve well-being, seek corporate aid to plug budget gaps resulting from cuts in government funds and/or increased demand for services—some due to plant closures and corporate layoffs. The shift from federal to state and local funding for social programs, begun in the early 1980's, is spawning policy debates and priority-setting projects in which community leaders expect corporations to take an active role.

The primary focus of this study is on those corporate-community efforts designed to identify and address basic human needs. The secondary focus is internal—on policies and practices companies follow in: (1) funding human-service agencies, and (2) enhancing employee productivity through assisting with personal or family-related needs.[2]

Inside the Corporation: The Human Resource Perspective

A first step in this study was to determine how corporations are responding to selected human needs of today's work force. Early in 1985, human-resource executives were surveyed to determine how their companies handle:

- Counseling for troubled employees or those with special needs (e.g., retirement)
- Child-care assistance for working parents
- Physical-fitness and recreation programs

Previous research, including Board surveys, had shown that these are among the chief methods companies use to address employee needs, including major personal or family problems, in order to improve employee performance.[3]

Responses from over 500 executives in a variety of manufacturing and service firms indicate that counseling services and recreation programs are almost universal among major corporations. More than 80 percent of the companies have such programs in place, and physical fitness programs (health evaluation, exercise programs) are available at about half. Nearly 40 percent offer some form of child-care assistance. For the most part, companies do not discriminate between salaried and hourly employees when making these services available, but not every company has each service in each of its locations.

Practices also vary with respect to who pays for these services. A majority of companies pays for counseling, a service that most say is used by less than 10 percent of the employees. Physical fitness and recreation programs have higher employee-participation rates, and are more likely to be offered on a cost-shared basis. Support for child care, another service typically used by less than 10 percent of the employees in these companies, is least likely to be absorbed by the company and most likely to be an employee responsibility.

Counseling Services

The larger the firm, the more likely it is to offer counseling services to employees. On the average, 80 percent of all the companies surveyed provide these services. The range is from 90 percent for firms with sales over $500 million, to about 65 percent for those with lower sales revenues. Alcohol and drug abuse, personal crises, marital and family concerns, and pre-retirement needs top the list of employee problems that receive attention in at least 60 percent of these firms. Moreover, counseling about financial and legal problems is offered by at least 30 percent of the companies. It is rare for a company to offer counseling in just one area—almost 30 percent of the firms maintain a comprehensive

[1] Plant closings and job loss are treated in greater detail in Ronald Berenbeim, *Company Programs to Ease the Impact of Shutdowns*. The Conference Board, Report No. 878, 1986.

[2] Related Studies include: Helen Axel, *Corporations and Families: Changing Practices and Perspectives*. The Conference Board, Report No. 868, 1985.
Dana Friedman, *Corporate Financial Assistance for Child Care*. The Conference Board, Research Bulletin No. 177, 1985.

[3] Comprehensive baseline data about these practices were reported in Harriet Gorlin, *Personnel Practices III: Employee Services, Work Rules*. The Conference Board, Information Bulletin No. 95, 1981.

Table 1: Services Included in Corporate Counseling Programs for Employees

Program Coverage	Number of Companies	Percent	Problem Areas in which Services are Offered: Substance Abuse Alcohol and/or Drugs	Life Problems Personal and/or Marital/Family	Financial	Legal	Retirement
All areas	123	30%	✓	✓	✓	✓	✓
Four areas:							
• Pattern A	42	16	✓	✓	✓	–	✓
• Pattern B	25		✓	✓	✓	✓	–
Three areas							
• Pattern A	87	26	✓	✓	–	–	✓
• Pattern B	17		✓	✓	✓	–	–
Two areas							
• Pattern A	37	14	✓	✓	–	–	–
• Pattern B	21		✓	–	–	–	✓
One area							
• Pattern A	19	7	✓	–	–	–	–
• Pattern B	8		–	–	–	–	✓
All other patterns	27	7					
Total	406	100%					

counseling package. Another 40 percent offer services in at least three problem areas (Table 1).

Typically, both salaried and hourly employes are eligible for counseling services and they receive them from an outside, rather than an in-house, professional source. This may mean referral to one of several outside practitioners (after a preliminary in-house screening), or there may be a contractual arrangement between the company and an outside service provider. Counseling for retirement is an exception to this pattern: Almost half of the firms said they used professional in-house counseling, and 30 percent used some form of employee education on this topic.

Roughly half of the companies offer counseling at all corporate locations, while about one third offer it at selected locations. The remainder restrict counseling services to headquarters. Few manufacturing firms follow the "headquarters only" policy, while this is true for almost half the service firms. Smaller companies are more likely to offer services at all locations, while larger companies choose a "select location" policy.

Almost 70 percent of the 400 executives who responded to a question about payment for counseling services say their firm absorbs the cost. A quarter of the executives say that their firm shares costs with employees, and only six percent say that the employee must pay the whole cost. Often, only a few counseling sessions are needed. Treatment for severe or long-term problems is sometimes covered by health insurance, or the costs are ultimately picked up by the employees.

Child-Care Assistance

As more mothers join the work force, the demand has risen for affordable child-care facilities of acceptable quality. Some employers are beginning to recognize the problem and have begun to offer assistance. This is true for 40 percent of the 512 companies in this survey. Over half of these 200 companies provide an information and referral service. Nearly 50 companies support community-based child-care programs; 42 companies include a dependent-care option in their flexible benefits package for employees; and about 30 companies offer parenting seminars. Small numbers of companies provide on or near-site day care (13 companies) or discounts for employees at neighborhood day-care programs (14 companies).

Large firms—those with sales of more than $1 billion—are more likely to offer information and referral than those with lower revenues. More than a third of the firms in two sales groupings—$1 to 2.5 billion and $5 billion and over—offer information and referral, compared to less than 20 percent of the companies with sales under $1 billion.

Company policies regarding availability and payment for services vary from those described for counseling. About a third of the companies offer information and referral services only at headquarters (compared to 20 percent for counseling). The remaining two-thirds of the companies are split about evenly between those offering the services at *all* corporate locations and at *selected* locations. In contrast to counseling services, for which only 6 percent of the compa-

Table 2: Coordination Between Human-Resource and Contributions and Community-Affairs Executives, by Industry

Degree of Coordination	All Companies (285)	Industry Sector: Manufacturing (111 Companies)	Industry Sector: Service (174 Companies)
No coordination	20%	7%	28%
Frequent interaction, but no formal coordination	61	64	59
Annual coordination of plans and programs[1]	15	24	10
Other	4	4	3
	100%	100%*	100%

[1]In 70 companies, the contributions or community-affairs activity reports to the Human Resources Department.
*Details do not add to 100% due to rounding.

nies expected employees to assume the cost, 41 percent follow this rule for some costs related to child care. In practice, employees are usually not charged for information and referral. They are expected to pay for the actual cost of care—although a handful of companies also provides assistance in this area.

Physical Fitness and Recreation

Attention to employees' physical and social well-being appears to be a well-established fact for most of the corporations in the survey. Only 85 companies indicate that they do *not* have employee-recreation programs (excursions, athletic clubs, hobby groups and so on), and over half of the total group have a physical fitness program. The latter program is available in more than 80 percent of the larger companies (sales of $2.5 billion or more) and about a third of the smaller ones (sales under $250 million). Although all employees are eligible for recreation programs, about 20 percent of the companies limit eligibility for physical fitness programs to salaried employees.

Some companies place restrictions on the availability of physical fitness programs, but there are few restrictions on payment. Only about 20 percent of the firms offer physical fitness programs at all company locations. Almost half of the service firms, compared to about 20 percent of the manufacturing firms, restrict physical fitness programs to headquarters. Manufacturing firms favor a "select location" policy—60 percent follow this practice, compared to a third of the service firms. Less than 10 percent of the firms—mostly service companies—reported that employees paid for physical fitness programs.

Extending Services to Families and Former Employees

Few companies extend services to the community, but a significant number include families of employees, as well as former employees who were terminated due to plant closings or reductions in the work force. This was especially true for counseling services. Based on 512 responses:

- 107 companies offer counseling services to former employees, and 80 percent absorb the cost for these service.
- 200 companies include employee families in counseling services. About two-thirds of the firms absorb the cost, while employees pay in about 10 percent of the companies, and costs are shared in the remaining cases.

Families are included in recreation programs by 96 companies and in physical fitness programs by 45, but only a few companies include former employees in these activities.

Liaison Between Human Resources and Corporate Contributions

Since human-resource executives maintain contacts with outside providers of counseling, child care, and other services, it seemed probable that their interest and activities might overlap with those of community groups or labor unions, or with those of their companies' community-affairs and contributions executives. A handful of firms reported that they have cooperative arrangements with community groups or labor unions for counseling services, and a few work with these outside groups on company recreation programs. The numbers are smaller for child-care and physical fitness programs.

Seven out of ten of the companies have executives at headquarters who handle corporate-contributions and community-affairs activities (61 percent say one executive is responsible for both activities). Formal coordination of annual plans and programs between human-resource and contributions or community affairs is not widespread—only 15 percent of the companies report this practice. Frequent interaction among these functional areas is common, however. Such cooperation is reported by about two-thirds of the companies. Still, a group of companies, many of them service firms, report that there is no coordination between these areas (Table 2).

The View from the Inside Out: Corporate-Contributions Executives

Corporate contributions and related community-affairs activities are often looked upon as the official corporate window on the community. Historians of corporate giving trace its origins to the mid-1800's, when employee needs coincided with the advent of the Young Men's Christian Association (YMCA).[4] Corporate giving programs continued to emphasize health and human service concerns until the early 1950's, when a court decision cleared the way for more broad-based support. (See box.) Education, civic and community concerns, and culture and the arts also became beneficiaries of corporate giving.

Future historians of social policy may view the 1980's as a watershed period. "Federal budget cuts" is the shorthand phrase many people use to depict a whole constellation of events, changes and new or unresolved problems that caused dislocation in many communities early in this period. Community officials were faced with readjustments due to slashes in federally funded social programs and decentralization of some allocations decisions to the state level. At the same time, the 1981-1982 recession brought job loss and other difficulties, exacerbating problems in localities already hit by the closure of obsolescent industrial plants. Growing numbers of low-income elderly and jobless minority youths strained local social service systems, and basic social changes, exemplified by the return of more young mothers to the work force, brought demands for new services, such as child care.

Speculation About Changing Patterns of Giving

Early in the 1980's, as service agencies and state and local governments grappled with funding shortfalls and new approaches to solving problems, the spotlight fell on corporations. Rhetoric abounded about corporations "filling the federal budget gap." Research indicated that the amounts were too large for this to be a realistic solution.[5] Respondents to Conference Board surveys reinforced this conclusion: They reported plans to increase their giving, but none planned to close federal funding gaps.[6]

Nevertheless, with stories of jobless, homeless or hungry people receiving daily attention in the news media, there was continued speculation that companies were about to come full circle and stress human needs as they had before the 1950's. Observers were anticipating that the percentage of corporate contributions dollars going to human services might begin to grow during the 1980's.

This has not been the case. Growth in the total amount of corporate giving has meant that *more dollars* are going to human services, as well as other categories of giving. But, continuing a trend that began around 1976, the *percentage* of total corporate contributions going to health and human services has decreased. The erosion has been slow, about one percent per year, but in the Board's 1984 survey, health and human service agencies attracted less than 28 percent of corporate giving expenditures, compared to 41 percent in 1975.[7]

Giving the Federated Way

Until recently, the human services had been unique among categories of corporate giving, in that federated appeals were

Origins and Early History of Corporate Giving

During the mid-1800's, railroad workers assigned to long runs were often unable to return home each evening and needed "supervised, economical" accommodations. The YMCA movement, which included religious work among laborers, was transplanted from England to North America in the 1850's. By the 1870's, railway workers were joining the Association and utilizing its accommodations. Within another 20 years, it had become the practice for railroad companies to sponsor Y's, picking up 60 percent of the operating cost for the buildings, while employees absorbed the rest. The Y's expanded their appeals to other businesses by the early 1900's, and also began community fund-raising drives.

Until the early 1950's, donations to hospitals,community chests, and human-service agencies such as Y's, characterized the giving programs of major companies. Responses by 550 manufacturing firms to a 1943 Conference Board Survey indicated that at least 95 percent made contributions in this area—education followed, but only about 20 percent of the companies made such gifts. In 1953, a test case in the New Jersey courts, involving a corporate gift to Princeton University, helped to dispel corporate concern about the legality of making a *charitable* gift to an educational institution.[1]

Education was the growth area of the 1950's and early 1960's, as corporate giving budgets expanded and more firms made donations. Civic and community concerns were a focal point during the latter half of the 1960's—corporate executives worried about decaying cities, urban riots, job training, and environmental problems. Contributions expenditures continued to rise during the 1970's, and corporations turned their attention to the arts and to cultural institutions.

[1]In a test case, stockholders of New Jersey's A. P. Smith Company challenged a gift made by the company to Princeton University for general maintenance. The Chancery Division of the Superior Court of New Jersey upheld the legality of A. P. Smith's contribution. The New Jersey Supreme Court upheld the Superior Court's decision, and the U.S. Supreme Court refused to review the State Court's decision.

[4]Emerson Andrews, *Corporation Giving*. New York: Russell Sage Foundation, 1952.

[5]Lester M. Salamon and Alan J. Abramson, *The Federal Government and the Nonprofit Sector: Implications of the Reagan Budget Proposals*. Washington: The Urban Institute, 1981.

[6]E. Patrick McGuire and Nathan Weber, *Business Voluntarism—Prospects for 1982*. The Conference Board, Research Bulletin No.111, 1982.

[7]Linda Cardillo Platzer, *The Annual Survey of Corporate Contributions—1986 Edition*. The Conference Board, Report No. 882, 1986.

Table 3: Corporate Support of Individual Human-Service Agencies and Federated Appeals, by Industry

Current Policy or Practice	All Companies		Manufacturing		Service	
	Number	Percent	Number	Percent	Number	Percent
Support United Way only	34	11%	15	9%	19	14%
Support United Way and other federated appeals, but no individual agencies	9	3	5	3	4	3
Support individual agencies that do not receive federated funds (as well as United Way and other federated appeals)[1]	71	22	38	22	33	23
Support individual agencies without restriction (as well as United Way and other federated appeals)[2]	197	62	113	65	84	59
Other	6	2	4	2	2	1
Total	317	100%	175	100%*	142	100%

*Details do not add to 100% due to rounding.
[1]Six manufacturing and four service companies indicated that federated support was limited to United Way.
[2]Thirteen manufacturing and eleven service companies indicated that federated support was limited to United Way.

the widely accepted method for fund-raising and giving. In such appeals, exemplified today by United Way, one organization in the community is acknowledged as the accepted fund-raising and allocations vehicle. In the case of United Way, fund-raising campaigns are conducted at the workplace as well as homes. Corporations frequently make a separate corporate gift. The usual understanding is that the federated organizations' individual member agencies will not make separate appeals to those who "already gave." While the United Way remains the outstanding example, specialized college funds and local arts campaigns are among the more recent adaptations of a federated approach.

Corporate gifts to United Way and similar appeals remain the largest single expenditure for most corporate contributions programs. The trend in giving to these appeals mirrors that for the health and human-service category as a whole. Dollar support is up because total giving is up, but federated appeals' share of the total contributions pie has decreased from over 20 percent in the five years prior to 1979 to 13 percent in 1984.[5] Over and above the corporate gift, firms invest money and employee time in mounting annual workplace campaigns for United Way support. No comprehensive accounting of these costs is available, but executives in major corporations acknowledge that they are "considerable."

Measured against the available yardsticks, the corporate response to the dislocations of the 1980's does not yet show a major change in contributions priorities favoring the human services. The survey of contributions executives takes a more detailed look at corporate-contributions practices and plans at the mid-point of the 1980's.

[5]Platzer, 1986.

Corporations and Human Services: 1985 Survey

Early in 1985, contributions executives in 331 major U.S. companies responded to a questionnaire designed to collect information in three areas:

- The status of their companies' policies and practices toward giving to federated appeals as against individual agencies, and their plans for giving to these agencies in the future.
- The degree to which they had undertaken or were planning, new initiatives in the area of human services;
- The degree to which they participated in formal attempts to assess needs in communities in which they are located—as well as the scope and outcomes of these needs assessment processes.

Federated Appeals and Individual Agencies: No Firm Strictures

In open-ended comments in this survey and in interviews for the case studies that follow, companies reaffirm their support for the federated approach to human-service funding. Nevertheless, survey results do indicate that contributions policies do not *preclude* support of individual agencies. Only 14 percent of the companies restrict their human service contributions solely to federated appeals. More than 60 percent say they support a variety of individual agencies, including some that already receive federated funds. The remainder take the middle position: They support federated appeals and those individual agencies that receive *no* federated funding. Service companies are more likely to restrict their support to federated appeals. Manufacturers are inclined to take the "wide-open" approach (Table 3).

Table 4: Factors Determining Corporate Gift to Federated Appeals at Headquarters and Other Locations, by Industry

Method Used	Headquarters Total (401 responses)	Headquarters Manufacturing (189 responses)	Headquarters Service (212 responses)
Formula:			
Dollars per employee	14%	17%	10%
Other	4	5	4
Matching:			
Results of employee campaign	11	12	10
Gifts of individual employees	2	3	1
Level of community need	18	20	15
Past history of federated support	32	26	38
United Way guidelines	12	10	14
Other	7	7	8
	100%	100%	100%

Formula:	Other Locations Total (33) responses)	Other Locations Manufacturing (159 responses)	Other Locations Service (142 responses)
Formula:			
Dollars per employee	20%	21%	17%
Other	6	7	5
Matching:			
Results of employee campaign	11	10	11
Gifts of individual employees	3	3	3
Level of community need	17	19	13
Past history of federated support	30	26	36
United Way guidelines	6	6	8
Other	7	8	7
	100%	100%	100%

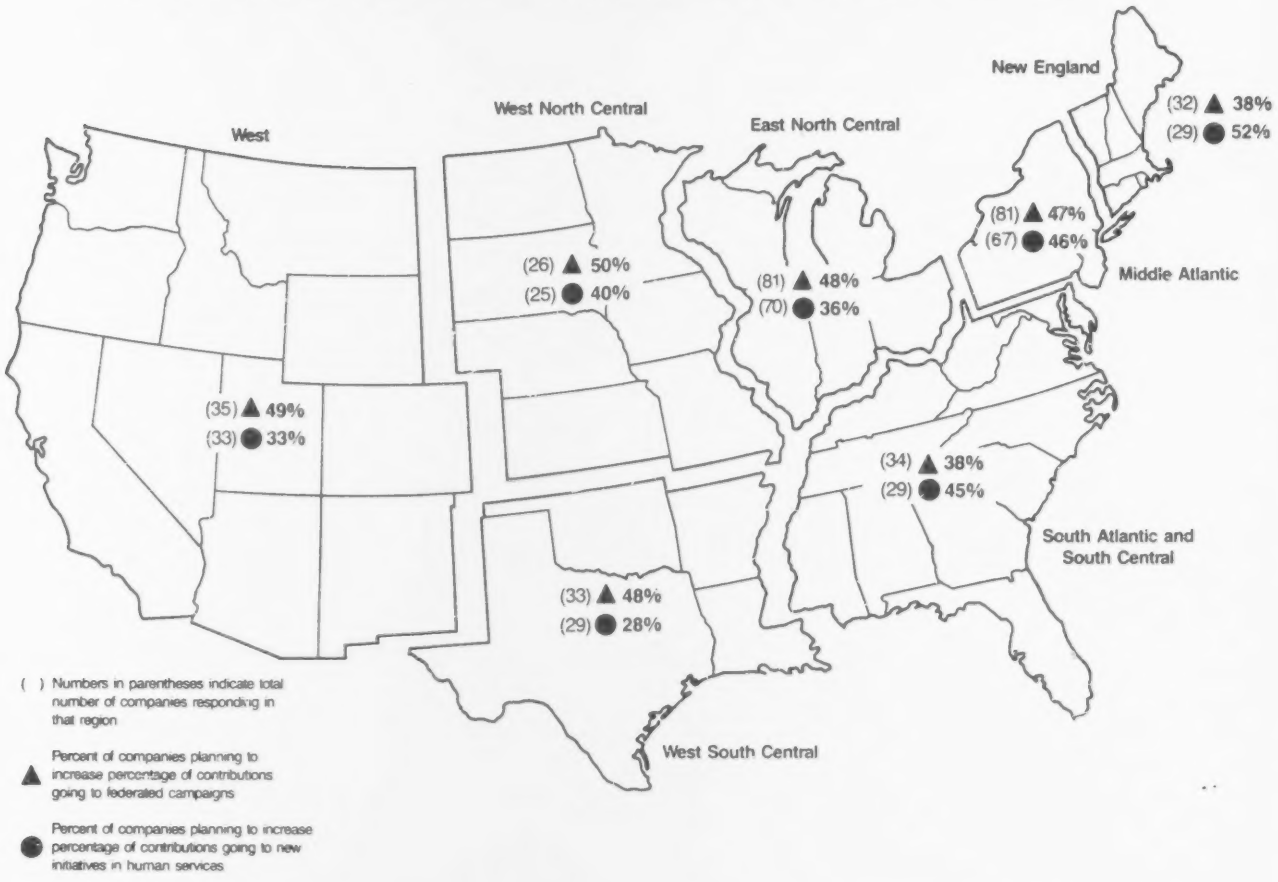
Whether it be a headquarters or field location, the *past history* of their funding level for these drives most often determines how much corporations give to federated appeals in a particular community. At headquarters, the level of community need ranks as the second most important determinant, followed by a formula based on dollars per employee. The sequence is reversed in nonheadquarters locations, with a dollars-per-employee formula taking second place. Practices can vary widely however, as illustrated in Table 4.

Plans for the Future

The 1984 median contribution to federated campaigns among the companies surveyed was $220,000—a median dollar increase of 9 percent over the previous year. Almost half of the companies (46 percent) say they are planning to increase the *percentage of their total contributions budget* going to federated appeals within the next three years. Fully half expect no change; only 4 percent anticipate a decrease. Companies currently giving less than $500,000 to federated appeals were more likely to be planning an increase than those now giving at or above that amount. On a regional basis, only companies in the New England and Southeastern regions of the country appear to differ from the group as a whole in their plans for increases in support to federated campaigns. (See Chart 1.)

Almost one-third of the companies will increase the percentage they give to agencies that are *independent* of federated drives; about 5 percent will decrease, and the remainder will maintain a steady course. In contrast, only about 18 percent of the firms expect to increase the percent of total giving allocated to individual agencies that are *already a part* of a

Chart 1: Corporate Plans to Increase Share of Total Contributions Going to Federated Campaigns and New Human-Service Initiatives, 1985-1988, by Headquarters Location


New England
(32) ▲ 38%
(29) ● 52%
West North Central
East North Central
West
(81) ▲ 47%
(67) ● 46%
Middle Atlantic
(26) ▲ 50%
(25) ● 40%
(81) ▲ 48%
(70) ● 36%
(35) ▲ 49%
(33) ● 33%
(34) ▲ 38%
(29) ● 45%
South Atlantic and South Central
(33) ▲ 48%
(29) ● 28%
West South Central
( ) Numbers in parentheses indicate total number of companies responding in that region
▲ Percent of companies planning to increase percentage of contributions going to federated campaigns
● Percent of companies planning to increase percentage of contributions going to new initiatives in human services

federated appeal. Almost three-quarters of the companies plan no change, while the remaining firms will make cuts. It has frequently been assumed that these member agencies receive separate support only in cases of special needs—for example, capital drives or a program not included under the federated funding umbrella. Yet, only about a third of the companies in this survey subscribe to that practice: The remainder say that they have no special criteria, but review requests from these agencies within the parameters of their contributions guidelines.

Service companies are slightly more likely than manufacturers to be planning future increases in support to individual agencies (Table 5). Since more service companies report a current policy of restricting their human-service giving to federated appeals, this seems to indicate that some plan policy changes.

Response to a Changing Environment

In order to determine whether they had adapted, or were planning to adapt, their contributions programs to new human-service needs, companies were asked about current practices and future plans. About a third of the firms have recently undertaken new human-service programs. More than half of these companies say they have tackled such basic needs as food, clothing and shelter, with family concerns a close second choice. The remaining responses were scattered—sixteen companies mentioned programs for the elderly; seven mentioned job programs, and a few mentioned drug and alcohol addiction or medical problems. Service companies report 54 percent of the new initiatives.

In the *future*, four out of ten companies are planning to increase the portion of their giving going to *new* human-service initiatives. Service firms also represent a larger portion of this group (Table 5). By regions, 45 to 52 percent of companies in states along the eastern seaboard expect to increase the share of dollars going to new initiatives, compared to 28 to 40 percent in other areas. (See Chart 1.)

Family-service agencies are a traditional fixture in the human-service environment, but families are also a newly recognized focal point. An obvious area of interest is the growing number of working mothers in the labor force, but other new areas of concern include child abuse, domestic violence, and the care of the elderly. The majority of the companies

Table 5: Plans to Increase Share of Contributions to Human-Service Agencies, 1985-1988, by Industry

Type of Organization	Number of Companies Planning to Increase	Percent of Respondents Planning Increase: All Companies (N = 283)	Manufacturing (N = 151)	Service (N = 132)
United Way (or similar federated appeal)	149	46%	43%	50%
Individual Agencies				
included in federated appeal	43	18	16	21
Not included in federated appeal	90	32	30	34
Programs or agencies dealing with family-related issues	81	29	29	29
New program initiatives in human services	113	40	36	46

(80 percent) make donations to *individual* family service agencies: Gifts reported ranged from $900 to $1.8 million, with a median of $70,000.

Roughly 30 percent of those surveyed indicate that they plan to devote a larger percentage of their contributions budget to new initiatives in the family area within the next three years. Those firms that already give $500,000 or more to federated appeals appear to be more likely to formulate such plans. Companies giving less than that amount lean instead toward increasing federated support. It is probable that the companies in the latter group have fewer staff members available to launch new programs.

Almost 40 percent of the companies in this survey have had a recent experience with a plant closing or a work-force reduction—events that often have a strong impact on local communities. Demands on social-service agencies increase as individuals and families cope with the realities of job loss. Almost a third of those companies experiencing a plant closing discontinued support of human-service agencies within the year. About a quarter continued support of United Way for periods ranging from one to three years, and 13 percent continued support of individual human-service agencies for about the same time period. Over a third of the companies either created a new program to help displaced employees or contracted with outside service providers to provide aid.[9] Only six companies say they discontinued support of human-service agencies as a result of a major workforce reduction.

* * * *

In all, the results of the human-resource and contributions executive surveys paint a picture of a *measured* corporate response to the human needs of the 1980's. As stakeholders in local communities, how do corporations become aware of changing patterns of human needs? What role are they playing in helping to address them? Survey and case study data help to illuminate corporate roles and processes.

[9]The impact of job loss upon families and communities is discussed in Berenbeim, 1986.

Chapter 2

Communities, Human Needs Priorities, Corporate Collaboration

"WHOSE RESPONSIBILITY is this anyway?" That question is raised often in the debate over meeting human needs. "Government must take primary responsibility for meeting human needs," say some. "It's too big a job for the private sector; long-term public well-being is at stake." "Government has failed the test," say others. "It has been throwing money at problems for forty years with no result but increased dependency among the poor—bring in the private sector." Should the Federal Government pay or should state and local governments pay; how much money is enough; how should it be raised—the debate continues.

In the meantime, life in communities goes on. In some, local citizens, community leaders, representatives from state and local government agencies, as well as corporations, foundations and other private-sector organizations have developed collaborative efforts to identify and address human needs. In an attempt to present a picture of current community realities, three such communities have been studied in-depth.

- **Danbury, Connecticut**, and a neighboring area comprising nine towns in the state's Housatonic Valley, is a fast-growing region with a population of 170,000. Like many of the older industrial areas of the Northeast, it is experiencing an economic revival. As this area tries to develop a regional identity, it must meld the community culture of Danbury, a former mill town, with that of small, almost rural, neighboring towns accustomed to operating independently. The immediate challenge is to create a broader planning and funding base for delivery of local service.
- **Seattle, Washington** and its environs, with a population of 1.7 million, is a major urban center of the Pacific Northwest. This area has experienced a series of economic ups and downs in recent years, due in part to the cyclical nature of some of its local industries—forest products and aerospace manufacturing. Not only does civic participation rank high, but local public and private sector leaders seem to be developing collaboration and coalition-building into a fine art.
- **Charlotte, North Carolina** and its surrounding area, with a population topping 330,000, is a prosperous southeastern city, carefully planning its future and paying close attention to human needs and service responses. Civic participation has high priority in this community—especially among corporate leaders.

These case studies are offered as bellwether indicators of community concerns, priorities and initiatives.[1] Findings from the survey of contributions executives help to broaden the base of this analysis.

Assessing Needs and Setting Priorities

In most communities, the burden for funding social services is shared by individuals, government, churches, corporations and foundations. Admittedly, some absorb a greater share of the burden than others, but when resources become tight or the community environment changes and new priorities must be set, those who foot the bill want to be consulted. In the communities covered in this study, the aim of collaborative efforts is to build consensus and assure that all major funding sources have "bought into" a new set of priorities. Collaboration also means that the work load is spread—no one funder carries the burden for researching needs and hammering out a new set of priorities. It is hoped that new funding efficiencies can be achieved ultimately, if the community has an up-to-date roadmap of needs and priorities.

Organizing a Collaborative Effort

Just under half of the more than 300 companies responding to the contributions executive's questionnaire discussed in Chapter 1 reported that an assessment of human-service needs had been made in their headquarters community since 1980, and 112 firms said they had participated. Local United Ways initiated the research and priority-setting projects discussed in the three case studies, and survey respondents most frequently identified United Way as the initiator of such assessments. Government agencies and local corporations are also possible initiators.[2] (See Table 1.) Since consensus building appears to be a major objective, community leaders, reli-

[1]Other major regions covered in a previous study include the Industrial Heartland (Johnstown, Pennsylvania), the Southwest (Dallas, Texas) and the San Francisco Bay Area. See Kathryn Troy, *Studying and Addressing Community Needs*. The Conference Board, Report No. 866, 1985. The findings from this research have also been considered in the interpretive sections of this report.

[2]Collaboration on local economic development projects is discussed in Leonard Lund, *Issues in Economic Development: Stimulating Local Leadership and Resources*. The Conference Board, Research Bulletin No. 175, 1985.

Table 1: Organizations Mentioned as Initiators of, or Participants in, Human-Needs Assessments

Initiator Role			Participant Role	
Number of Mentions	Percent of Total[1]	Organization	Number of Mentions	Percent of Total Mentions
119	40%	Local Service Agencies[1]	96	24%
53	18	Government Agencies	84	21
52	18	Business	81	20
23	8	Religious Groups	52	13
15	5	Community or Independent Foundations	22	6
7	2	Universities	22	6
13	4	Planning Agencies	18	4
15	5	Others	27	7
297	100%		402	100%*

*Details do not add to 100 percent because of rounding.
[1]Among service agencies, United Way was mentioned 74 times (25 percent of total mentions).

gious leaders, heads of civic organizations, private citizens, corporate and foundation representatives, local professionals (i.e., doctors and lawyers), politicians and government agency executives, and the editor of the local newspaper are all possible participants.

Doing It by Committee

A two-tier committee system is the common organizational approach used by the three communities studied. In Danbury, the United Way's seven-member Planning and Allocations Committee assumed executive responsibility. But a 44-member Advisory Group, with broad community representation, provided the elbow grease and intellectual stamina necessary to sort through research findings and develop priorities. This pattern was repeated in Charlotte, using the United Way's Planning Committee and a pool of volunteers. To carry out its "Project Transition" in 1981, the Seattle community mobilized a 22-member decision-making body composed of corporate and religious leaders and concerned citizens, backed by an 18-member work group with representatives from corporations, foundations, government agencies, churches and the United Way. The obvious function for the top committee is as an oversight and decision-making body. It may also be used as a method for involving high-level leadership (such as corporate CEO's) in decision making without placing unrealistic demands on their time.

Getting the Facts Together

At a bare minimum, information gathering usually consists of a review of all existing, relevant data about local human needs, combined with interviews with key community leaders, heads of social-service agencies, and, perhaps, some service recipients. Other possibilities are mailing questionnaires,printing surveys in local newspapers, holding town meetings, focus group discussions, group brainstorming, and reports from panels of experts. Several of these methods are described in the case studies.[3]

Survey respondents reported that analysis of existing data, personal and telephone interviews, group brainstorming sessions, and printed questionnaires are, in that order, the methods most frequently used. In general, the greater the dispersion of community opinion about local needs and priorities, the more important it is that the scope of the research be sufficiently broad and its techniques be credible and defensible. In Danbury, for example, town meetings were chosen as the method for gathering citizen opinions from neighboring communities. When turnout at these meetings was below expectations, the United Way decided to gather these data through telephone interviews with a randomly selected cross-section of area residents.

Needed: Patient, Hard-working Committee Members

In needs assessment and priority setting, process may be as important as product. United Way executives, and others who are close to the local human service scene, say they could have predicted most of the findings of their studies without benefit of formal research. But by working through a research, planning and priority-setting process *together*, representatives of a diverse array of constituencies can help the community to understand what changes must be made in the social-service "investment portfolio." The object of the exercise may be a change in United Way allocations, those of city or county government agencies, or those of a broader cross-section of funders. Initiators and participants in such processes offer these insights:

[3]A more detailed discussion of needs-assessment methodology appears in Troy, 1985, pages 7-14.

• Committee members should be selected carefully. They must represent a broad array of constituencies, but they must also be temperamentally suited to the activity. This is not a job for the impatient or inflexible.

• It may be necessary to use consultants to gather research data, but the process is not finished when the consultant files a report. Committee members must be hard workers. "Buying in" is achieved only after they have rolled up their sleeves, worked through the research, discussed its implications, and forged a set of priorities.

• The choice of technique should suit the community—an environment fraught with complex problems, or one with an adversarial climate, may require greater research sophistication and more problem-solving finesse. In a community where problems are less complicated and opinions more homogeneous, too much sophistication can overwhelm the research and priority-setting process. Impatient because product has become buried under process, critics have complained: "There's *less* here than meets the eye."

Is It a Success?

Success can be measured on at least two levels. The first: Was the process completed and did an acceptable, realistic set of priorities emerge? The second: Did the process create the basis for further collaboration and coalition building? Of the 112 contributions executives who said that their companies had participated in a local assessment of human-service needs, over half mentioned that (1) a group had been formed to work upon changes recommended in the study, or (2) that the United Way had adopted new allocation guidelines. Nearly half said that one or more recommendations had already been implemented, and about a third reported that new working coalitions had been formed in their communities. Since almost half of the needs assessments took place in 1984 or 1985, and only six were made before 1982, this appears to be substantial progress.

Asked for their perceptions about the benefits of conducting a needs-assessment and priority-setting process in their communities, participants in the case studies suggested these advantages:

• It forges consensus among many diverse groups and helps to focus their attention on a plan for action.

• It develops new levels of trust among individuals and organizations. The process may even neutralize adversarial relations by placing competing parties in a new environment and setting their sights on a common goal.

• Needs assessment heightens community awareness about the scope and relative complexity of local problems and needs—and about their relative importance.

• If done well, such assessments develop new levels of credibility for the sponsoring agency.

• The process is an invaluable skill-building exercise—one that may pay off immediately in new coalitions or in collaborative capabilities that can be "banked" for future use.

• It combines available people and monetary resources and helps create solutions that are not possible for a single agency or funding organization.

In communities where needs have been assessed, slightly higher percentages of companies report plans to increase the portion of their giving going to United Way or to new human service initiatives. For example, in those communities where needs have been studied, 50 percent of the companies plan to give more to United Way—compared to 44 percent in communities in which no study has taken place (Table 2). These differences tend to suggest, but are not large enough to prove, a causal relationship. Also, most of these studies are of recent origin, and it may be too early for their impact (if any) upon corporate plans to be felt.

The Human-Service Environment: The Players and Their Roles

Needs assessment and other collaborative efforts are single events in the ongoing life of a community. The case studies which follow present them in context, providing brief descriptions of the economic, social and human-service environ-

Table 2: Needs Assessment and Corporate Plans Regarding Contributions to Federated Campaigns or New Program Initiatives

	Assessment of Human Needs Done in Headquarters Community		
Percentage of Contributions Going to:	*Yes (150 Companies)*	*No (121 Companies)*	*Do Not Know (48 Companies)*
United Way (or similar appeal) will:			
Increase	50%	44%	42%
No change	44	54	56
Decrease	6	2	2
New Human-Service Initiatives will:			
Increase	46%	31%	37%
No change	52	63	61
Decrease	2	6	2

ments, and of the key funding and service-delivery organizations. Institutional funders include government, corporations and foundations. Individuals and religious groups, also important funding sources, are mentioned in the studies, but are generally beyond the scope of this analysis. United Way, the major vehicle for collecting and allocating funds from individuals and corporations, is featured in each of these studies.

The individual agencies providing services are as varied as the constituencies they serve. Family-service agencies, which are often members of United Way, have long histories, some dating from the late 1800's. In this study, they represent the traditional agency in each community, one that must adapt to meet changing needs and priorities. "New-need" agencies usually face a struggle to establish themselves in a community and to attract an adequate funding base. Some eventually become United Way members; others do not. An agency that meets a new need is profiled in each community.

Priorities Reflect Environmental Concerns

It is not possible to summarize the "environment" in these three communities, but their priority human-service issues may provide a basis for comparison:

- The **Danbury** area must extend its counseling services from the center city to the smaller towns. Reducing drug and alcohol abuse by all age groups (including the elderly) is also a major concern, as are the myriad problems of the older population. Adequate affordable housing for lower- and middle-income residents is a growing problem, and sufficient after-school activities for latchkey children is a nagging concern.
- Top priorities in **Seattle** include emergency food and shelter and outpatient medical and dental care for the poor, chore services for the elderly (e.g., helpers to do shopping, cleaning and so on), and day-care services for low-income families. Since the 1981 needs assessment, United Way planning reviews have added several more items—child abuse and neglect, mental health, public education about alcohol and drug abuse, and youth and family support services—to the list of priorities.
- In **Charlotte**, problems of child abuse, neglect and exploitation have high priority, as do emergency housing and food. Adolescent pregnancy and the problems of latchkey children are near the top of the priority list, as are two health-related problems: substance abuse and sexually transmitted diseases.

Resources and Clout

Government and the United Way are the major institutional sources of human-service funding in these communities. Corporations are a significant source of United Way clout through their organization of workplace campaigns, donations and top executive participation on United Way Boards. In turn, when these communities launched collaborative efforts, such as needs assessments, the United Way often acted as the connecting link between corporations and government-agency executives. In the communities where they exist, foundations also joined in the collaborative process and are important sources of seed money for new agencies or programs. On the service-delivery side, agencies probably benefit as much from corporate influence—in the form of top executive board membership or spearheading of fund raising campaigns—as from cash donations.

The United Way's Role

Resource allocation has always been the United Way's raison d'etre, but its planning role has become almost equally significant in the communities in this study. Needs assessment is one of the early steps in planning, and the studies in Danbury and Charlotte were organized and carried out by the United Way. In Seattle, "Project Transition" was organized by an ad hoc committee, but was backed by administrative support from United Way.

Accurate data are important when tough decisions must be made over how to use limited resources. The United Ways in these communities are developing a data base useful to such decision making. In Charlotte, it is collaborating with the county government, while the United Way in Seattle has been operating an Agency Information Bureau since the early 1970's. In Danbury, it is hoped that a questionnaire circulated to agencies during the needs assessment will provide the initial data for a yet-to-be-developed system.

As part of its allocations responsibility, the United Way in each of these communities plays the "enforcement" role—upcoming budgets of member agencies are expected to reflect the priorities that emerged from the needs-assessment process. This is increasingly important in a period when the access of new-need agencies to United Way has been questioned. United Ways in the cities studied are using devices such as purchase-of-service contracts and development and demonstration grants to fund nonmember agencies that offer services to meet high-priority needs. This approach sometimes has another payoff: It "lights a fire" under member agencies offering more traditional programs and speeds the adaptation process.

The exclusivity of United Way's hold on workplace campaigns is also a topic of controversy.[4] Employee campaigns in two of the companies in this study—Perkin-Elmer and Boeing—illustrate an alternate approach, "The Good Neighbor Fund." In this model, proceeds from the employee campaign are administered by an employee committee. A large share is usually earmarked for local federated appeals, but the remainder is distributed to individual agencies, based on committee research and employee suggestions.

[4]See Deborah Kaplan Polivy, *Increasing Giving Options in Corporate Charitable Payroll Deduction Programs: Who Benefits?* and *A Study of the Admissions Policies and Practices of Eight Local United Way Organizations*. Hartford, Conn.: Yale University Program on Non-Profit Organizations, 1985 and 1982.

The Government Agency's Role

Prior to conducting a needs assessment, city funding for human services in the three communities studied was not substantial, although city agencies did distribute state and federal funds. Funding drawn from local revenues increased in Danbury and Seattle following the needs assessment (and also in response to federal cuts). In Charlotte, the county government takes greater responsibility for funding human services than either the city or the state, and its expenditures have been increasing. City officials in Danbury and Seattle worry about where to raise funds for local human services if deeper cuts are made in the federal funds. Charlotte officials have been less concerned. Past cuts have not affected their core programs, but deep cuts in basic federal programs would have an impact on county services.

In general, the government agency's role in the needs-assessment process in these communities was that of resource and participant, rather than initiator. In fact, in an observation about the realities of public-private partnerships that involve corporations, a government agency representative in one community said: "It's only a partnership *after* the initiation stage. We can't ask them; we must wait to be asked." Nevertheless, county officials in the Charlotte area have asked for corporate participation and advice as they revamp their Department of Human Services.

The Corporate Role

There is no doubt that most of the corporations in these communities believe that they meet the bulk of their local obligations to human-service needs through the United Way. This is usually the single largest, ongoing commitment in a firm's contributions budget. A number of contributions executives mention that they are trying to hold the line on the portion of their giving going to United Way. Since they expect their budgets to grow, this should give them extra discretionary dollars—but it appears that these dollars are just as likely to go to other categories, such as education, as to individual human-service agencies.

What can individual human-service agencies expect? If a distillation of the comments of executives in these companies can be said to represent a "corporate viewpoint," it is that:

- Funding will be short term and transitional, rather than long term.
- Funds will be used to seed new projects or provide delivery of emergency services.
- Funding will stress program support over operating support.
- Funds will be targeted toward projects that promote catalytic action—those that "leverage people and dollars to tackle and solve pressing problems." (In a period of growing demand and finite funds, contributions executives stress projects that combine either cash and noncash resources or funding sources. "Leveraging" has become an accepted piece of jargon in the contributions field.)

Conversations with contributions officers in case study communities suggest that, in reality, their firms' top executives do not "think in the same categories" used by the contributions staff to manage its budgets. Rather, senior executives think in broad terms of "community programs," with human services as an element in that package. Indications are that education in general, particularly public elementary and secondary schooling, is currently a higher priority. Among other top priorities are programs that improve the economic viability of communities or promote the self-sufficiency of their residents. This puts job training and employment programs, low-cost housing programs, small business ventures and similar projects in the spotlight. Capital support for arts projects also appeared to be a high priority with companies in these communities. Not only do they give the corporation visibility, but theaters, museums and the like bring people and money to the downtown area.[5]

Overall, these corporations appear to be comfortable with their priorities and they resist being pulled into large-scale investments in social services beyond United Way. Some say: "We will help with the problem, but we believe that the long-term solutions are a public-sector responsibility. We do not want to end up owning this problem."

Cash giving is the measure most often used to test corporate involvement. But it is not the only resource these companies contribute.[6] Many companies stress the extent of their executive-level involvement in service on nonprofit agency boards, and that of their employees in volunteer activities. Some of this time is invested in management-assistance activities with non-United Way agencies. New agencies also recruit executives as fund raisers and board members. Often, noncash resources can equal or exceed the value of a cash donation. The Emergency Food Network in Tacoma receives a negligible amount of corporate cash, but it is functioning with donated warehouse space and product donations from area businesses, large and small. (See page 41.)

The Foundation's Role

Independent foundations and community foundations are significant presences in some communities, and serve as an important source of seed money for new-need agencies. Foundation executives also participated in the collaborative efforts in Seattle and Charlotte.

Many independent foundations restrict their giving, as illustrated by the Duke Endowment in Charlotte. Within its confines, the Endowment has been a partner with the local

[5] In a recent survey of 140 community affairs officers from major corporations, primary and secondary education ranked as the number two issue of concern to corporations—right after local economic development. The issues of health care and hospitals, unemployment and job training and the area of arts and culture followed. Leonard Lund, *Business in the Community—Where Vanguard Companies are Focusing*. The Conference Board, Research Bulletin No. 185, 1985.

[6] Recent editions of The Conference Board's Annual Survey of Corporate Contributions have distinguished between charitable giving that is cash and noncash (company product, property). Spending on related "Corporate Assistance" activities (e.g. employee time, donations of space, printing, computer time and the like) has also been documented.

funders in launching new-need agencies, such as Child Care Resources, and has developed programs of its own to assist child-welfare agencies with their fund-raising.

Among other functions, community foundations (e.g., Foundation For The Carolinas, pages 50 to 51) can serve as vehicles for giving by small corporations that do not have the staff capability to screen agencies and administer payments. They sometimes provide large corporations with services to disburse small local grants, while larger grants are handled out of corporate headquarters in another city.

In both Seattle and Charlotte, community foundations have been active in local collaborative projects with corporations and other funders. Both communities also have associations of regional grant-makers (corporate and foundation) that meet regularly to discuss current issues.

The Service Agency's Role

In the current tug of war occasioned by increased needs and scarce resources, service-delivery agencies are in an unenviable position: They must deliver more services while incurring fewer administrative costs. If they hope to keep their United Way funding, traditional agencies must prove that they are adapting their programs to meet new needs. New-need agencies must pass the market test: They must respond to demands of community residents without duplicating the efforts of already-existing agencies.

Even those agencies that receive United Way support must raise money from other sources if they are to survive. These include government funds, service fees from individual clients, and to an increasing extent, fee-for-service or contractual arrangements with corporations or other local organizations. This shift to a fee-for-service approach is a cause for concern among some observers of and participants in the social-service scene. They fear that less government funding and more dependence on fee-for-service income will mean that agency staff members will have less time to help the poor. In Charlotte, local leaders hope that an innovative proposal for a "Recycling Fund" will assure continued funding for child care to low income parents who want to work.

New need agencies say that their path to survival and ultimate acceptance must often be paved with volunteer time and that the burn-out rate is high. Even when the agencies have gained acceptance, administrative dollars are often available only (or in large part) from public-sector sources. Corporations, many of which are undergoing their own internal cost-cutting and staff-reduction drives, are not especially sympathetic. There is a belief among many corporate executives (as well as private citizens and politicians) that the federal budget cutting of the early 1980's was long overdue. As in their own operations, they believe they are "squeezing the fat" out of agency budgets.

What role do agencies play in identifying community needs and setting priorities? In the communities covered in this study, service agencies were not involved in the decision-making aspects of the needs-assessment and priority-setting process. They were, however, consulted, asked to help supply service delivery and other relevant data, or to provide expert testimony. United Way member agencies were briefed frequently throughout the process. Nonmember agencies did not usually have the benefit of periodic briefings, but results of the studies were publicized widely. Some are also the beneficiaries of a more flexible United Way approach, such as purchase-of-service contracts.

The Short-Term Outlook

Who is responsible for human needs? At least implicitly, and sometimes explicitly, companies appear to be distinguishing between public-and-private-sector responsibilities. This is as true in corporate support of public elementary and secondary education as it is in support of human services. "We do not buy textbooks," companies say of their involvement in public-school education. "We try to supplement and enhance the curriculum." The same appears to be true in human services: Maintenance of basic services for those in society who cannot become self-sufficient, or who will do so only over the long term, is considered a public-sector responsibility. Corporations appear to believe that they are already sharing in that responsibility through their support of private-sector agencies such as United Way. In many cases, they are also absorbing all or part of the costs for employees who utilize counseling, physical fitness, or child-care services, placing less of a financial burden on local delivery systems.

Remaining resources, whether they be cash, product, property, employee time, or top executive clout are being carefully husbanded by many firms. Their priorities are projects that promise a "high yield" to both the corporation and the community: local economic development, job programs, and education of youth, as well as collaborative activities that "leverage" resources.

Over the next three years, corporations do not appear to be planning any *major* changes in their human-service funding patterns, although about 40 percent of the companies do expect to be investing more in new initiatives. In some cities, United Ways, through needs assessment and other activities, are already encouraging their member agencies to make the program adjustments necessary to meet emerging needs. Some United Ways are also developing mechanisms that help to seed and develop new-need agencies that are not yet members. Other United Ways have not yet begun to adapt. Moreover, in interviews, contributions executives acknowledged that many new-need agencies simply do not fit under the United Way umbrella. For these reasons, the "new initiative" funding planned by corporations may give an important boost to individual agencies that tackle such needs. Findings from this study suggest that some could be in peril in an increasingly competitive environment.

If they are to derive maximum benefit from the increased funding planned by some companies, new-need agencies will have to be more resourceful in tapping corporate influence, as well as limited corporate cash. As this research indicates, corporate clout, effectively applied, can help forge new community coalitions and enlarge the pool of resources available to address emerging problems.

Part II

Case Studies:
Danbury, Connecticut
Seattle, Washington
Charlotte, North Carolina

Case Study 1

Danbury, Connecticut

HATS WERE ONCE the major industrial output of the area around Danbury, Connecticut. During the 1950's, like many manufacturing communities in New England, this area experienced hard times when its staple hat, felt and fur industries declined. The region's rebirth during the 1960's and 1970's was the result of energetic industrial recruitment by its civic leadership, and the happy circumstance of its accessibility to a vastly improved surface transportation system. It has convenient links to two major interstate highway systems (one in Connecticut, one in New York) that were built during the late 1950's and early 1960's.

Today there are an estimated 4,100 employers in this area, including the Barden Corporation, Grolier, Perkin-Elmer, Berol, Allied Electronics, Consolidated Controls and Boehringer Ingelheim, as well as many smaller employers. Union Carbide added 3,000 employees to the area when it moved its headquarters from New York to Danbury in the late 1970's. With a population of 170,000, the Housatonic Valley (Danbury and nine surrounding towns) is one of the fastest growing regions in the state.

Danbury and the surrounding towns have traditionally operated independently of one another. It was not until the late 1970's, according to some observers, that people began to think of these communities "as a region." By that time, demographic and economic changes were accompanied by pressures and problems that required more comprehensive planning attention.

Participation and Responsibility

Informal cooperation characterizes the relationship among corporations concerned with community issues affecting the Danbury area. Contributions executives report that they each have informal methods of monitoring and addressing changing needs. One such method is to maintain close contact with the many corporate vice presidents and managers they recruit within their companies for service on the boards of nonprofit organizations. Another is the contacts made through their own service—often multiple—on such boards. "This is still a small corporate community," said one contributions executive. "When we need to get something done, we just pick up the phone and call colleagues we know through years of joint board service." When describing their local involvement, Danbury area companies seem more likely to stress the level of nonprofit board participation by their executives than the level of their cash contributions. Despite this emphasis, board participation by CEO's seems to be more a reflection of individual personality than of a local cultural norm, as is the case in Charlotte, North Carolina.

Under the sponsorship of the local Chamber of Commerce and other groups, corporations and the City of Danbury have cooperated on projects affecting local economic development and the local schools. Chief elected officials of towns surrounding Danbury have their own membership organization. This group does some regional planning, and its members cooperate on projects of mutual interest. Observers believe there is still a major challenge ahead for those interested in efficient delivery of human services on a regional level. They must build consensus about needs and local funding responsibilities among public- and private-sector leaders.

The Environment for Human Services

Those who reside in the Danbury area and are active in civic affairs describe its population as "widely heterogeneous," extending from the "very poor living in substandard housing to very wealthy white collar executives living on estates." They characterize the types of human services funded in the area as having been "traditional." By the late 1970's, rapid growth and a changing population base convinced some local leaders that it was time to shake up the system.

Prior to that time, informality and autonomy appear to have been characteristic of the process of planning for human-service needs in the area. Chief elected officials of towns surrounding Danbury did some regional planning for needs related to physical infrastructure. A local Community Chest functioned as the allocation vehicle for major service agencies, most of which were located in Danbury. A one-person office, it had no planning capacities. In 1971, it was succeeded by the United Way, but this agency's role, too, was primarily one of allocation. The major local service agencies had a membership organization of their own, which also attempted to do some planning. The group had "minimal to moderate success," recalls one agency executive. "There just never seemed to be enough time to do adequate planning." Corporations in the area carried out formal or informal needs assessments individually as part of their community-affairs planning, but there was no formal coordination among them. By the early

1980's, the Community Development Agency in the city of Danbury had set aside a portion of its Community Development Block Grant (CDBG) moneys for a needs assessment, but these funds were restricted for use in that city (to comply with federal guidelines).

Taking a Regional Approach

By 1980, the region was a stew pot of changes, problems and pressures that had begun to simmer. These included:

- Continued, rapid population growth.
- Demographic shifts—for example, a larger aging population, a greater proportion of single-parent, families and a growing minority population. (The area has the greatest concentration of Southeast Asians in Connecticut.)
- Larger campaign yields and a growing United Way budget brought greater demands for accountability and pressures to reach out to newly formed, and/or less traditional, agencies.
- Budget cuts and new guidelines at the federal level meant less funding for small human-service agencies that had shared CDBG funding. These agencies were seeking alternative funds.
- The funding burden was unequally distributed. Most of the service agencies were based in Danbury and they received little or no money from the public coffers in nearby towns. Since they were providing services to residents of these towns, it was becoming increasingly important that they document this effort in order to dramatize their case.

It seemed an appropriate time for the leadership of the region to acknowledge the problems developing within the changing environment. As a key source of funding for human services, the local United Way had seen its budget grow from $182,000 in 1971 (the year it was incorporated) to just under $1 million in 1980. It was governed by a 21-member volunteer board of directors comprising local leaders from corporations (about a third), the professions, labor, the public-school system, the local newspaper. A new executive director had recently come aboard; the national United Way was promoting needs assessment as a desirable first step in a comprehensive planning process. As all of these elements converged, a consensus grew among members of the board's planning committee: It recommended that the United Way take the initiative in conducting a regional needs assessment.

The United Way Strengthens its Planning and Coordination Role

United Way's executives, staff and volunteers at the board and planning committee level saw the study as a first step in building a regional consensus about the future direction of human services in the Housatonic Valley. It took about 20 months to launch the project. Members of the board and planning committee had many divergent views about contents of the needs assessment agenda, and they used this time to negotiate and agree on an acceptable approach. Recipient agencies were advised of the plan: They needed to be reassured that the intent was to do a canvas of needs, not an *evaluation* of their service efforts.

Funding was needed for the project—some came from the United Way itself, but other local stakeholders were asked to participate. The City of Danbury provided the CDBG funds it had set aside for a local assessment, earmarking them for the Danbury portion of the study. This was supplemented by contributions from four national corporations: Union Carbide, with a headquarters presence in the area, and three relatively small local operations of IBM Instruments, Dart-Kraft (Duracell), and Chevron. Since the United Way staff was small, it could not undertake the project alone. A request for proposals was issued, and a consultant was hired to do the study. Actual work on the project began in October, 1982.

Carrying Out the Study

Among the major objectives of the project were two obvious ones: (1) to identify the major *unmet* human-service needs in the region, and (2) to establish priority areas for United Way funding. In retrospect, the third objective—building a consensus—was probably the most important one, according to United Way staff and volunteers. Communications became a key element in the process. Although a seven-member Planning Committee served as the coordinating body for the project, a forty-four member Advisory Committee was assembled to broaden the base of participation.

This volunteer group included representatives from regional corporations, agencies, school systems, universities, churches and city and state government. Briefed periodically during the course of the data-gathering process, they were a key element in the later stages of the project, when they were responsible for reviewing findings and developing recommendations. The Chairman of the Executive Committee of local United Way Member Agencies represented this constituency by serving as its ex officio representative on the Planning Committee. He had primary responsibility for communicating with agencies, but the Planning Committee also met periodically with the agency heads.

Gathering Data

Most of the data-gathering was carried out during the first half of 1983. The team assembled for the study included the consultants and the members of the United Way's Planning Committee and Project Advisory Committee, four students (representing two area colleges), and United Way staff members, one of whom was a part-time coordinator assigned to the project. The consultant used five different techniques to gather data for this needs study:

- *Personal interviews* provided the base for developing insights about perceptions of 170 leaders of regional corporations, service agencies, government agencies, civic groups, religious and educational institutions, as well as ordinary citizens, about pressing problems and unmet needs.

- *Questionnaires* mailed *to service providers* gathered details about budgets, revenue sources, clientele and the range of services offered.
- *A public opinion questionnaire* printed by the local newspaper allowed the researchers to gather information from a broader cross section of the general public. The same questionnaire was distributed to the public by area church organizations and civic groups.
- *Town Forums*, organized by the consultants, allowed citizens in each town to voice their opinions directly. (Since participation in the forums was less than had been hoped, additional telephone interviews were conducted with a randomly selected cross section of 120 area residents.)
- *Focus group discussions* among special subgroups in the community (minorities, elderly, women, youth and so on) were led by the consultants. This allowed them to develop greater depth of detail about the needs of these service recipients.

Shaping Recommendations and Reporting

During the Summer of 1983, the research team worked with the Planning Committee to assemble the data, to identify information gaps and fill "holes," and draft a summary of findings. A first draft of the report was submitted to the Advisory Committee in October. At this point, the Committee subdivided into eight task forces. Seven addressed findings on a specific group or area of need: counseling; drug and alcohol abuse; regionalism; youth; programs for the elderly; housing; transportation. The eighth examined all of the remaining areas of need (e.g., child care, race relations) identified by the research. The task forces, drawing upon a pool of 15 additional resource people (from planning, housing, transportation, the public schools, and the like), spent three months studying the issues that had been assigned to them. In January, 1984, each of the task forces reported its conclusions and recommendations to the full Advisory Committee.

Those responsible for the needs study believe that the Advisory Committee members' participation in the task-force process was a crucial element in building a regional consensus. Competing interests had an opportunity to have their voices heard, to collaborate, and to work out their agendas through negotiation and compromise. The final report evolved through a process of drafting and redrafting that reflected this group process. Task forces not only studied problems but developed recommendations about how the United Way and others in the area might tackle them.

The final report presented a list of needs and a statement of suggested strategies for each major area of need. It identified nine primary areas and ten secondary areas of unmet needs. (See Exhibit 1, page 22.) In the primary group were those needs most often mentioned by community leaders, the public, and service-agency executives during the course of the research. Needs in the second group (e.g. child care, spouse abuse) were mentioned less often, usually because they affected smaller segments of the population.

No attempt was made to place needs in "rank" order. There was a consensus that such a ranking would be forced or artificial, and might result in abrupt changes in service delivery. Rather, new needs would be addressed through a carefully organized, incremental approach to planning and allocations, extending several years into the future. (See page 23.)

Using the Study to Shape the Future

As soon as the final report on the study was issued in March, 1984, the United Way and its volunteers began a broad-scale communications effort. The entire document was published in the local newspaper. All United Way member agencies were given copies of the full report; interviewees and key area leaders received an executive summary. United Way staff and Planning Committee members participated in a series of public forums with community groups and social service personnel, as well as in briefing sessions with area legislators and chief elected officials, to explain the process and results.

Among the more immediate results since the publication of the report are these:

- The Task Force on Drug and Alcohol Abuse has grown from six to twenty members, and is now a permanent entity. Shortly after the report was published, the group met twice to discuss the findings and develop an action plan. It now meets on a monthly basis.
- The United Way established a special grant fund ($50,000 annually) for innovative programs designed to address unmet needs identified by the study.
- Responding to one area of need, the local bus company has instituted after-school-hours bus service from local schools, so that students can remain at school to participate in extracurricular activities and still get transportation home.
- A group in one of the towns in the region has instituted its own counseling program—the Family Life Center—so that its residents will not have to travel to Danbury for this service. The United Way helped to launch the program with seed funding and the Family Life Center now receives ongoing United Way support.
- The Danbury Mayor's office and the United Way have formed a closer collaboration. The city's budget contains more funds for delivery of human services.
- Two new agencies joined the United Way as campaign participants (legal services in Danbury and a family-life center in a neighboring town); the local community-action program and the area rapid transit system became affiliates.
- Among the area corporations, Union Carbide has begun to give short term grants to "seed" satellite operations of Danbury service agencies that fill key human-service needs in the smaller towns surrounding Danbury.

Over the longer term, there will be changes in the United Way's planning and allocation process. During the latter half of 1984, the two United Way volunteer committees responsible for these tasks developed an "implementation plan" based

Exhibit 1: United Way Needs Assessment Study

Summary of Needs and Principal Recommendations

(1) **Counseling Services**

These services are not available everywhere and not affordable for the elderly, the working poor, and some of the middle class.

Recommendations

Provide incentives to decentralize services to outlying towns.

Provide incentives to develop counseling alternatives, that is, peer groups, volunteer services.

(2) **Drug and Alcohol Abuse**

The problem is increasing among all socio-economic and age groups.

Recommendations

Establish peer counseling programs in high schools.

Create more citizen advocacy groups.

Create a well-organized public media campaign.

(3) **Education**

The public is concerned about quality education for all. Also, non-college-bound students are being inadequately trained for available jobs.

Recommendations

Promote the General Equivalency Diploma among the adult population.

Encourage developmental as against custodial day care.

Develop more programs for students at risk of dropping out.

(4) **Elderly Citizens**

This group faces problems in housing, transportation, energy and health-care costs, and crime and safety.

Recommendations

Do a better job of communicating existing programs.
Increase outreach activities.

(5) **Employment and Job Training**

The region lacks a strong job-training mechanism. Youth and minority unemployment remain critical.

Recommendations

Encourage private-sector job opportunities for youth, particularly minorities.
Eliminate work disincentives in public-assistance programs.

(6) **Lack of Housing**

This includes affordable housing of all types; rental and emergency housing in particular.

Recommendations

Fund a position of housing advocate.

Establish a regional non-profit Housing Development Corporation.

Facilitate "accessory" apartments, those within single family homes.

Reduce or eliminate employment disincentives in public housing eligibility and rent structures.

(7) **Community Attitudes Toward Regionalism**

There is a resistance to change and with a lack of regional cooperation.

Recommendations

Encourage communities to share the costs of supplying human services.

Conduct a public forum on regional cooperation.

(8) **Transportation**

Road systems are inadequate and more public transportation is needed, particularly for those elderly and young people who are unable to drive.

Recommendations

Develop a low-cost extension of transportation services for the elderly and disabled.

Provide more public transit information outreach to all populations. Many residents do not understand how to get access to buses from their neighborhood; some do not understand how to read schedules.

Balance the transit fleet with smaller vehicles. Explore use of school buses to augment public transportation for young people, perhaps by using a formal transfer system between school bus and public lines.

(9) **Lack of Youth Activities (other than sports)**

The problem exists for all ages, kindergarten through college.

Recommendations

Use existing space more efficiently by making better after hours use of school buildings.

Relate youth needs to those of parents.

Encourage towns to share information and replicate programs proven successful elsewhere.

(10) **Other needs or problems seen as important**

Child care; environment; legal services; crime; handicapped population;race relations; culture; health; women's issues; emergency food, shelter

on the results of the needs assessment. In January, 1985, the plan won the approval of United Way's board of directors.

A Plan for the Future

Danbury's United Way hopes to avoid abrupt changes. The new plan is "a responsible, organic" approach to change, says the local attorney who heads the Planning Committee. Both United Way executives and volunteers recognize that local agencies need to be reassured: Some agency executives fear that attempts to implement study recommendations could result in sudden shifts in funding that would favor new areas of need and thus disrupt ongoing programs. On the other hand, the United Way does intend to demonstrate its commitment to highest priority needs by channeling its limited funds to these areas.

A key element in the new plan is to shift the way the United Way agencies will be funded. In the past, United Way agencies had used United Way funds to make up their deficits, or to fill in the gaps not covered by other funding sources. Starting July 1, 1985, funding of specific *programs* became the norm. In addition to the new emphasis on program allocations, the plan establishes a schedule for annual reviews and decision making, specifying tasks to be carried out individually and in concert by the Planning and Allocations Committees. This is what it calls for:

- Over an eighteen-month period (through Spring, 1986) six steps are being taken to respond to the findings of the needs assessment:

(1) Working jointly, the Allocations and Planning Committees will identify ongoing programs that must be maintained or expanded, so that service delivery is not disrupted and needs continue to be met. This task will be completed by September, 1985.

(2) At the same time, the committees will determine which programs, if any, are superfluous, addressing neither existing nor new needs. Funding for these programs will be discontinued by July 1, 1986.

(3) Starting in Fall, 1985, and continuing annually each November, the Planning Committee will design new programs to address unmet needs and rank such *programs* within each needs area. However, there will be no attempt to give one *area of need* priority ranking over another. During this phase, United Way member agencies will be invited to submit new program designs.

(4) In April, 1986, and annually thereafter, the United Way will issue requests for proposals (RFP's) for programs to meet Planning Committee designs. Both member and nonmember agencies in the United Way region may submit proposals. (The United Way of the 1970's had been criticized for being too traditional. Critics said that funding was narrowly focused and support should go to programs that might serve all segments of the community. The RFP technique is one way to address this issue of "inclusiveness.")

(5) Annually, between April and the start of the new fiscal year in July, the Allocations and Planning Committees will jointly determine which responses to the RFP's best address unmet needs and should receive new funding from the United Way.

(6) The share of United Way funds to be spent on unmet as against continuing needs will be reviewed annually by the Allocations Committee. Recommendations will be made to the Board of Directors.

- The Allocations Committee will be responsible for identifying and analyzing a range of methods that might be used to evaluate the effectiveness of programs funded by the United Way. A report will be made to the board of directors by September, 1985.
- To institutionalize the consensus-building process begun during the needs assessment, each future major step in implementation will be presented to the Needs Assessment Advisory Committee and to United Way member agencies. Their advice and counsel will be considered before the new step is taken.

Role of the Public Sector

Citizen education and an increase in public sector awareness about social service needs were among the objectives of Danbury's officials when they funded the Danbury portion of the United Way's needs assessment study. Estimates showed that as much as half of the available social services were used by non-Danbury residents, while most of the funding was centered in Danbury. The city's Welfare Department spent about a half million dollars for its program in the 1983 fiscal year. General assistance funds for persons in need of financial or medical aid make up a substantial portion of the program; 90 percent of this cost is reimbursed by the state. The city had also been devoting about a third of its federal CDBG moneys to social services—total block grant funds for fiscal year 1983 were about $600,000. In the early 1980's, new federal restrictions on the use of these moneys, together with funding cuts, meant that less support was available for social- service agencies. This, in turn, increased the burden on local public- and private-sector resources. Officials thought it was time to take a comprehensive look at regional human-service needs and to begin to coordinate resources on a regional basis.

As a first step toward raising regional consciousness, the United Way invited the Director of Social Services from each town to serve on the study's Advisory Committee. Some members of the Council of Chief Elected Officials, the representatives of municipal government in towns surrounding Danbury, also joined the Advisory Committee. During the "town meeting" phase of data collection for the study, chief elected officials were invited to chair these meetings in their respective communities and several agreed to do so.

After the study was completed, United Way executives and volunteers briefed state legislators representing their area on two separate occasions, and are continuing to maintain these

contacts. In Spring, 1985, before the chief elected officials began planning their towns' budgets for a new fiscal year, United Way sent each of them a letter reminding them of the priorities identified in the study. Meanwhile, the City of Danbury has recently begun to allocate more funds from its local tax revenues for social services.

The Corporate Role

The United Way is the major channel through which companies in the Danbury area support human-service agencies, although many say they support small non-United Way agencies, particularly those where they have employee volunteers. Contributions executives at most area corporations are familiar with the results of the United Way's needs assessment study: Senior corporate executives were interviewed as part of the study, and several corporations had executives serving on United Way Committees at the time of the study.

Since most of their companies' human service funding is done through United Way, contributions executives say that the study findings will not have a major impact on the remainder of their programs. Plans for the non-United Way giving reflect a combination of corporate and community priorities. The contributions executives outline cash-contribution programs that are general in nature, an attempt to cover the "must do" charitable activities in their communities. Involvement extends beyond cash giving to emphasize employee volunteerism, board service with nonprofit agencies by top executives, and, when appropriate, donation of company facilities, services or products.

Educational institutions are top competitors for available funds: Many area companies list improvement of educational quality (college and precollege) as a top priority. Capital campaigns for educational and cultural institutions have recently increased and must be reckoned with at budget time, executives say. Broad similarities in contributions programs abound, but there is a wide diversity in program detail, as a sampling of seven area companies illustrates:

- *Duracell Inc.*, a subsidiary of Dart & Kraft, Inc., is one of the companies that helped to support the United Way's needs assessment. The company has a relatively small work force in the area—its 300 people are scattered through many small towns. Its Vice President, Communications reports that the company supports United Way and non-United Way human-service agencies. Its employee United Way campaign began just a few year ago. While it is not "very involved" in the community, Duracell's cash contributions are supplemented by board service by a few of its executives.
- *Perkin-Elmer Corporation*, headquartered in Norwalk, Connecticut, has facilities in several communities in the state, including the Danbury area. The Corporate Contributions Committee reviews and evaluates new requests for funding on a monthly basis and those from all agencies currently receiving funding on an annual basis. In addition, the General Managers in each of the company's facilities are requested to make recommendations for contributions to agencies in their community. The company also considers requests for donations of product to schools and hospitals.

In addition to the corporate contributions program, Perkin-Elmer employees contribute to and manage a "Good Neighbor Fund," which has been in existence for more than 30 years. This employee fund makes grants to the United Way and to non-United Way agencies. In 1984, the fund's $283,000 budget supported 91 organizations, 14 of which were United Ways. The fund's volunteer board of 20 takes a zero-based budget approach. Each year, before making funding decisions, it visits prospective donees to learn about their programs and to review their books. The list of prospects is culled from employee suggestions, and grant decisions are made by vote of the full board, based on recommendations from its budget committee. The current president of the Fund, who is located in Danbury, says that most of the grants go to hospitals and agencies in the health and human-service areas. One recent contribution was to a hospital fund established to pay for prescription medicine for the elderly. Another recent area of interest among employees has been support for soup kitchens in the Danbury area.

The Good Neighbor Fund awards its grants each year at a company-sponsored luncheon. The company also allows the Fund's board members to take time off during the work day to attend fund-related meetings.

- *Barden Corporation* is a long-term resident in the Danbury area, and employs about 1,000 people. The company makes its major gifts through a company foundation, supporting the United Way by matching the total gift of Barden employees. It supports capital campaigns of local hospitals, as well as some United Way agency capital campaigns.

Non-United Way agencies, such as the local hospice, a regional agency on the aging, and a mental-health center are also eligible for Barden support. Education is a major program focus, especially local colleges and technical institutes from which the company draws employees. Major local cultural institutions—the Danbury Arts Center and the new Charles Ives Cultural Center—are also included in Barden's grant list. A smaller corporate budget is set aside for use by company divisions to cover small "community-minded" endeavors.

Employees at all levels are encouraged to volunteer, and company "fast trackers" are often deployed for Junior Achievement projects as a device to enhance their community awareness. Several corporate officers have served on the board of the local hospital, and participate in other community-oriented activities and organizations.

- *Union Carbide Corporation*, whose corporate headquarters have been located in the Danbury area since 1980, employs about 2500 people at this facility. The company was an original developer of a community needs assessment process in the late 1970's as part of its corporate community affairs program. Local Union Carbide facilities are encouraged to conduct a community needs assessment as the basis of their community programs.

Once relocated in Danbury, one of the Company's initial

community activities was financial as well as staff support for the local United Way community needs assessment. Carbide continues to be involved with the United Way through executive representation on the United Way board, the planning division and participation in the "loaned executive" program during the United Way campaign.

In February of 1984, Union Carbide launched a major program in its headquarters community designed to enhance math and science education in the region. The program, known as the Math/Science Initiative, is being jointly sponsored with nine area school systems and consists of a menu of ongoing efforts to encourage students and teachers in the areas of math and science. The major components of the Initiative are a professional development program in science for elementary teachers, an annual weekend of science activities for junior high and high school students (including a science fair and science symposium) and a mini-grant program for teachers for science-oriented projects.

Union Carbide also makes cash contributions to a broad range of local organizations which are contributing to the quality of life in the Danbury area. In addition, the Corporation encourages employee voluntarism through service recognition programs and by acquainting employees with volunteer opportunities.

- Local electric and telephone utilities are active in the Danbury area, providing cash and volunteers. *Connecticut Light and Power's* District Manager for the area says community involvement is part of his role: He has served on the United Way board, and has chaired the Danbury Community Education Advisory Council and the local Chamber of Commerce. The company's contributions in the area focus on human services, education (especially career education), conservation and housing.

For *Southern New England Telephone*, increasing competition has brought about a shift in the way it looks at its community involvement—good citizenship is still a factor, but achieving public recognition is also important. Volunteer activity and contributions are perceived as a way of enhancing the company's competitive edge. Local involvement is distributed statewide among six field positions, each with the title "Manager, Community Relations Operations."

The telephone company's Danbury area Community Relations Manager sees himself as a facilitator. His job is not so much to serve on boards himself as to identify company employees who might have an interest in volunteering and match them with appropriate agencies. Several local managers are involved with United Way. One currently serves on the United Way board, another two serve on the allocations committee. The Company has also provided employees for the United Way's Loaned Executive Program. A recent company inventory indicates that employees are involved on boards or committees of at least fifteen organizations in the Danbury area, including the Regional Hospice, Boy Scouts, YMCA and a Chamber of Commerce task force for "Women on the Move."

About 20 phone company employees in the Danbury area are lending their skills in "adopt-a-school" programs. Some tutor students, others help in student drama presentations, and so on. The company tries to focus its school adoption activities on those institutions that have a student mix with a minority population and show evidence of real need.

Small, local grants are handled by the Company's divisional community relations council; larger grants for statewide programs or capital expenditures are handled at corporate headquarters. Noncash aid includes service such as lending office facilities for telethons, use of specialized construction equipment and donations of used furniture.

Role of Service Agencies

Nine new agencies have been added to United Way membership within the past few years: organizations that aid refugees in their resettlement efforts; provide a transitional residence for persons recovering from mental illness; offer information and referral for people with mental and physical disabilities; drug abuse hotlines; legal services for the poor; shelters for battered women, and the like. The core group of member agencies includes those in family services, Boy and Girl Scouts, the YMCA, Salvation Army, Red Cross, and so on. Together these agencies deliver an estimated $10 million in services to the region.

A description of the work of two agencies indicates how community needs dictate change, growth and the birth of new services. The Catholic Family and Community Services is among the long-time United Way member agencies. A key program focus is counseling—a priority need identified in the United Way study. The agency is also diversifying its services beyond counseling and extending its reach to towns surrounding Danbury. Crisis assistance in a newly-recognized area of need is the mission of the Women's Center of Greater Danbury. Its Battered Women's Service offers a telephone hotline and a shelter for victims of abuse. Among its other services are support groups and a hotline for female rape victims. The ten year-old agency took on its crisis assistance activities in the early 1980's, and became a United Way member in 1982.

Catholic Family and Community Service (CF&CS)

Counseling—on marital problems, or for unmarried parents; on parent-child relationships, child behavior, or individual problems—is the core program for this service agency, which emphasizes that its services are nondenominational and nonsectarian. Established in Danbury in 1939, it also operates an outreach office in a neighboring town and provides services to residents in seven towns in the area. Fees for these services are calculated on a sliding scale, based on the client's ability to pay.

Within the past decade, the agency has branched out into the mental health field. With state funding, it provides transitional care for newly discharged patients from the area mental institutions, and assures that the basic needs of former patients are covered. Senior citizens who are psychiatrically impaired and homebound receive treatment through its

Senior Citizen Outreach program, funded by United Way. Under contract, Catholic Family and Community Services administers a middle income senior citizen residence, where it also provides direct social services for those who need them.

In recent years, the agency has diversified its services to add education and enrichment through a series of Family Life Education seminars and workshops for area residents. This series utilizes the resources of the agency's full professional staff, covering such topics as marriage enrichment; divorce and separation; parent adolescent relationships; and "growing old gracefully in today's society." Another "new" responsibility is actually a return to the early roots of family-service work: distribution of food and gifts to needy families during the holiday season. Unsolicited donations to the agency have increased in each holiday season over the last few years to the point where it is now developing written guidelines and a budget for its distribution efforts.

Through its board of directors and its advisory boards for its Transitional Care and Senior Citizens Outreach programs, the agency's executive and staff maintain a network of contacts with area hospitals, clinics, visiting nurses groups, and the like, exchanging information and coordinating services. CF&CS's executive director chairs the Executive Committee of the United Way Member Agencies Group, and served as its ex officio representative on the United Way's Planning Committee during the needs assessment effort. (The United Way's member agency executives meet on a monthly basis to update each other on programs and services.)

Women's Center of Greater Danbury

Organized in 1975 to help women "in transition," many of them suffering the aftermath of divorce, the Women's Center worked to support itself on membership fees, advertisements in its newsletter, and occasional public and private sector support until the early 1980's when, its executive director says, "the time was right" for community recognition. By the late 1970's, responding to demand, it expanded its services into the field of rape-crisis counseling and community education about the problems of battered women. A battered women's hotline and an information and referral service began in 1980, an official rape-crisis program in 1981, and a battered-women's shelter the following year.

In its early days, its executive director says, the Center could not afford to pay full-time professional staff, and it struggled through by using dedicated part-time professionals and volunteers. These people stayed on until "they were burnt out" and were then replaced by new recruits. Until the demise of the federal CETA (Comprehensive Employment and Training Act) program in the early 1980's, funds from this source had covered the salaries of two part-time professionals. The 1981 year was a trying one for those at the Center, since they were experiencing increased demand for their crisis services and faced the elimination of CETA funds for professional staff salaries. At this juncture, the City of Danbury intervened, providing a $12,000 grant to be used for salaries. The grant from the City was the Center's first "big break," says its executive director, and other funding followed.

By now, funding from the City has more than quadrupled; some money is available from budgets of surrounding communities, although the Center's executive director acknowledges that fund raising from that source is still a "hard go." Other funding comes from various state and federal programs, as well as from private foundations and, since 1982, the United Way.

The Center serves 10 communities including Danbury, with such services as: an information and referral service for women in need of doctors, lawyers or other professional help; short-term, individual peer counseling; support groups; a rape-crisis hotline, backed by support groups and community-education programs focused on problems of rape and incest; a battered women's hotline backed by peer-counseling programs and support groups; and Elizabeth House, a shelter for battered women and their children. Related activities include workshops, a library, a newsletter and a speakers bureau.

The agency has a "grass roots" board, selected for its members' commitment to the Center's work, femininst philosophy, and a "collectivist" approach to decision making. It has also recently organized an Advisory Council with broad-based representation, including local professionals and the Mayor.

Demand for services from the Center's various programs continues to grow at annual rates ranging from 10 to 50 percent, but its executive director believes today's staff needs are stabilizing. She says: "In the early days, we responded to demand without having staff: It was a period of real sacrifice. Today, we are meeting increased demand, but we are not forced to grow as rapidly as in earlier years. In the future, it will be easier to control the expansion of our staff."

Goal for the Future

Regional planning and funding for human services is not yet a reality for Danbury and its neighboring towns in the Housatonic Valley, but the civic leaders who organized its first needs assessment believe this is an attainable goal. In a sense, the study was the first volley in a campaign to institutionalize a regional collaborative process. While expectations of continued population growth lend a certain urgency to this goal, its participants believe that the process cannot be rushed. The needs assessment taught them that building a consensus requires infinite amounts of patience. Ideally, the outcome of the study might be a regional effort to address all of the problems that were identified, whether in human services, education, housing or transportation. United Way executives and volunteers believe that so comprehensive an approach, while desirable, is not yet achievable, given available financial resources, personnel and the level of community awareness. They say: "The United Way can play a role, but groups in the community must make the results of the study a part of their planning and their program on an ongoing basis. Communitywide implementation is a tough job; it must be done incrementally over time."

The United Way intends to continue its role as catalyst, concentrating on regional improvements in delivery of human services. These achievements form the foundation for future accomplishments:

- A mechanism for identifying needs has been set in place, and plans have been made to update the needs assessment periodically.
- A broad-based Advisory Committee has been organized, has operated successfully, and can be called upon as a regional "sounding board" or action group in the future.
- Communications links have been established with the media, the public, other private-sector agencies, and state and local government officials.
- There is a plan for following through on the findings of the needs assessment and instituting change—and this plan is being implemented.

Extended coalition building and broader consensus are among the goals for the future, but this foundation is likely to be tested before they can take place. Although United Way member agencies no longer feel intimidated by the assessment process, they are concerned about what they see as major change in the United Way's role. No longer solely an allocation agency, United Way is taking on a planning and brokering role. Some agency executives worry about their autonomy and freedom to plan their own programs. "This is an extended process," says one agency executive, "the jury is still out—only time will tell." Members of the United Way's Planning Committee say that they have confidence in the agencies' ability to adjust to change and reorient programs to meet new needs. They emphasize that the results of the study will not be used as a "club" on recalcitrant agencies. Says one committee member: "The community needs a pool of stable, well functioning agencies." Change will be an organic process in which existing agencies will be involved.

Another challenge is that of increasing funding and involvement by the chief elected officials in towns surrounding Danbury. Work is continuing on three fronts: (1) increasing agency outreach activities into these communities; (2) building coalitions wherever pressing problems or mutual interests present that opportunity (such as the Task Force on Drug and Alcohol Abuse); and (3) maintaining communications links with town-government officials, so they are aware of future plans and projects that affect human services within their jurisdictions.

Whatever the long-term outcome, observers in both the public and private sectors agree that the needs assessment has already been beneficial to both the United Way and local government in Danbury. The study gives the United Way more credibility, they say, and helps it document its allocation decisions—an important reassurance to donors as its budget continues to grow. The project has also helped city government by providing officials with an objective basis for making choices that are politically sensitive. Said one observer: "It gets them out of a hole when they decide to cut support to agencies whose programs are no longer relevant."

Corporations in the area say that the needs assessment has as yet had little impact on their contributions decisions. Nevertheless, as more United Way funds are channeled toward newly emerging needs and some support is given in special grants to non-United Way agencies, corporate money may follow.

Those who were responsible for the needs assessment remain optimistic about the future of a regional approach. Continued efforts to build consensus will encourage more areawide coalitions, they believe. With patience and determination, regional cooperation can ultimately become a habit among residents of the Housatonic Valley.

Case Study 2

Seattle, Washington

LOOKING UP is a natural reaction in Washington State's Puget Sound area: to admire the surrounding Cascade and Olympic mountain ranges; to gaze at Seattle's office towers muscling each other out in a contest to be dubbed "the tallest"; to gape with surprise at Mount Rainier when it occasionally "comes out" of its cloud cover; or to spot the sun during winter months, when daily rain seems the rule. Rain or shine, the Seattle area's 1.7 million residents are generally upbeat: a legacy, some say, of energetic merchants and entrepreneurs who helped build the city during its first major growth spurt in the late 1890's. Seattle served as the gateway to the Klondike during the Alaskan gold rush, and experienced a 42 percent population jump in just three years. Even after some notable economic downs for the area in recent years, the prognosis is up: Seattle is pegged as one of the 10 metropolitan areas in the nation with the fastest employment growth rate in the 1983 to 1986 period.[1]

Forest products and airplanes often come to mind when outsiders think about the economy of the Seattle area. It was first settled by loggers and is home base for Weyerhaeuser Company as well as for many smaller forest industry firms. The Boeing Company, one of the nation's major aircraft manufacturers, has had its headquarters in the area since 1916. These two industries, as well as agriculture, have had serious "down" periods in recent years (although this is no longer the case at Boeing) with a negative impact on area employment. There is continuing industrial diversification, however, and three fourths of the economy is currently fueled by non-manufacturing activities—trade, distribution, finance and services.

"Participation," "community spirit," "shared vision" are all phrases used by local leaders to describe how and why cooperative community endeavors are successful in the Seattle area. Since the city did not become a growth area until the 1890's, it is a relatively young community without many entrenched power bases, but with enough distributed power to guarantee "clout"—for example, through the CEO's of many family-based businesses in the area. A major cooperative effort for the community took place in the early 1960's, when "everybody got involved" in a "Forward Thrust" campaign to build facilities and prepare for the Seattle World's Fair. The habit of cooperation remains alive—at the very top, through organizations at the CEO level, such as the Washington Roundtable, formed in 1983, and among those at the functional level, in both the public and private sectors.

The Environment for Human Services

It might even be said that coalition building has become something of an art form in the Seattle area. Not only do grant seekers and grantmakers have individual associations that meet regularly for self education and networking, there is also a Human Resources Coalition, bringing together the United Way and social service executives from federal, state, county and city government. While the groups have no formal ties with one another, their existence eases the way for broad based cooperation on specific activities, such as happened in 1981 with Project Transition. This project, launched during an economic downturn and human-service-funding crisis, brought public-and private-sector funders together to chart needs, set priorities, and provide transitional funding.

Since that time, pledges to recent United Way campaigns have continued to increase, the city has been able to provide more money for human services, and even some state funds that were cut in the early 1980's have been partially restored. The overall condition of human-service funding can probably be described as "stable" or "adequate," although something short of "comfortable." Needs continue to grow among the elderly; area minorities, (which include blacks, Hispanics, native Americans, and a large group of Vietnamese); and families on or near the poverty line. After a downturn in the first half of the 1980's, employment is up in aerospace and some service industries, but lumber and agriculture remain troubled. Retraining is becoming a growing need.

Corporations in the area view supporting United Way as their major funding commitment in the human services. This organization provides strong leadership throughout King County, (Seattle and a number of smaller communities) coordinating the work of 12,000 volunteers and allocating about $25 million to service providers in the area. While many corporate contributions executives see no broad role for their companies beyond United Way funding, they are willing to make one-time exceptions to meet pressing needs. Such fund-

[1] In its June 12, 1984 issue, the *Wall Street Journal* cited a Citicorp forecast that places the average yearly growth rate for the Seattle area at 6.1 percent, in contrast to 2.8 percent nationwide. (See "Regions," page 37.)

ing is usually targeted toward direct delivery of service. But even as they make exceptions, corporate executives express concern. "Perhaps it's time for a more open debate. Is this a private-sector responsibility?"

Participation and Responsibility

Among the *major* employers in the Seattle area, the Chamber of Commerce lists about fifty corporations, eight or ten of which usually take the lead in community projects. These are companies with local headquarters such as Burlington Northern, Boeing, Weyerhaeuser, PACCAR, Skinner, Pacific Northwest Bell, Safeco Insurance, and banks such as Rainier and Seafirst. The city of Seattle has about 18 foundations with assets of $1 million or more, the largest being the Medina Foundation. It also has a community foundation, the Seattle Foundation. (There are a few other foundations in neighboring Tacoma.[2]) This group forms the primary private sector funding base for the area and its members work hard to involve others, especially smaller corporations—with varying degrees of success. "Some smaller corporations want to keep a low profile; others feel intimidated by the big companies. They are afraid they'll lose their identity, especially in cooperative projects," say local corporate contributions executives.

Nevertheless, cooperative activities among corporations and foundations and between the public and private sector are frequent in the Seattle area, and all involved agree that they work well. Coalition building "doesn't seem unique to us," they say. "It is just the way we do business in this part of the country. We work together, we like and respect one another."

A regional grantmakers association—the Pacific Northwest Grantmakers Forum—has been in existence for about eight years. The Forum meets on a quarterly basis to give members an opportunity to share ideas and learn about local needs. Members have the opportunity to become acquainted and share a common base of knowledge, paving the way for ad hoc cooperative efforts outside the Forum. One recent corporate project sponsored by the Forum was a workshop in conjunction with the Northwest Association of Development Officers, which gave grant seekers an opportunity to interact with grantmakers.

The Private Sector's Role: Solo and Cooperative Projects

A major cooperative effort affecting human-service delivery in Seattle and King County was launched in 1981. It was the first time in recent memory that funders from the private sector (other than United Way) and the public sector (state, county and local) had worked together on human-service problems. The challenge was an anticipated human-service delivery crisis resulting from cutbacks in government funding at both the state and local levels. The outcome, Project Transition, was funded for two years, 1982 and 1983. At about the same time, both sectors cooperated on a one-year project to bolster the pool of jobs available for summer employment of disadvantaged teens in the area. (See pages 31-32.)

More recently, projects with statewide and national significance have attracted the attention of funders, especially corporations in the Seattle area. A statewide study of public elementary and secondary education was one. Among its outcomes is a recommendation that more attention be given to preschool education for the state's "at risk" children. As part of a nationwide thrust, a coalition of Seattle area funders is currently cooperating with the Local Initiative Support Corporation (LISC), using loans and grants to help community development agencies provide emergency housing, job training and other needed services. "Cooperation means leverage," area corporate contributions executives say. Nevertheless, the bulk of their grant making is done individually, with much of it tied to their own corporate priorities. A sample of the contributions programs of area corporations includes development of career tapes for high school students, employment training for the unemployed, as well as a project focused on forest resources and conservation issues.

Helping the Community Through a Funding Crisis

The early 1980's was a period of increased anxiety for human-service agencies in Seattle (as well as other parts of the country). Not only had the Federal Government announced its intention to curtail and reallocate funds for social services, but a regional economic slump meant that state and local government funding would be diminished. No one was certain what the magnitude and impact of this funding withdrawal would be; or what agencies and client groups would suffer most. Anticipating that increased demand might stretch its resources beyond their limit, the United Way approached corporations early in 1981 with an idea for raising a special emergency fund. The money would go to providers of vital services—those helping people whose welfare would be jeopardized if funds disappeared abruptly. (Both member and nonmember agencies of the United Way would be eligible.) The Chairman of SAFECO Insurance Company agreed to organize a group to consider the fund idea.

Defining Needs and Organizing a Response

A broad-based committee was assembled to tackle the problem of slashes in public sector funds. Its 22-member decision-making body comprised corporate executives, religious leaders, and concerned citizens. Its 18-member day-to-day working component was a "Review and Advisory Committee" with representatives from corporations, private foundations, the community foundation, governmental human-service agencies at the state and local level, the United Way, the local Church Council and Jewish Federation. At the outset, members agreed that whatever funding effort the private sector mounted would be transitional and supplementary. No attempt would be made to replace the total amount

[2]The roles of a community foundation and a private, noncorporate foundation are discussed in greater detail in the following case study.

Exhibit 1: Project Transition: Mission Statement and Guidelines for Selecting Service Areas for Transitional Support

Mission Statement

Project Transition is a joint effort on the part of the corporate, government and voluntary sectors to mitigate the impact on people most severely affected by reductions in government funding of social and health services in King County. It is not the intention to replace the total funding reductions; however, Project Transition will raise and distribute funds to assist, temporarily, individuals most severely affected by abrupt changes in government-funding policy.

Guidelines Developed by Project Transition Committee

- Population served
- Personal consequences of not receiving the service(s)
- Amount and percent of reductions in dollars and degree of service reductions, including the number of persons affected
- Duration of Project Transition funding need:
  —short term
  —long term
  —possibility of restoration of funding in the future
- Cost effectiveness of Project Transition funding:
  —multiplier effect
  —avoidance of more expensive service alternatives
  —numbers served
  —effectiveness of service
  —alternative services available

of lost public funds, and any commitment would be short term.

Members of the Review and Advisory (R and A) Committee set to work to lay a foundation and develop a framework for a one-year effort that was dubbed "Project Transition." Early activities included the development of a mission statement and a set of criteria for selecting program priorities. (See Exhibit 1.) The most daunting challenge, however, was to gather data about the size and impact of state and federal budget cuts upon social and health services in King County. The participation of representatives from state, county and city agencies was invaluable at this juncture, say private-sector members of the committee: "They did the lion's share of the research work." Information was culled from existing state and city reports, and the city produced a special report treating specific human-service priorities the committee identified. A matrix was developed to provide an overview of cuts in more than 45 program areas. Use of the matrix allowed the R and A Committee to pinpoint which target groups and service areas were likely to be most seriously affected. Since no really hard data would be available until government agency budgets were finalized in the late Fall, R and A Committee members had to work with estimates. They say: "There was a high level of frustration during the first six months; nothing would stand still." The best guess was that social and health service cuts would amount to about $9.8 million.

Armed with the matrix and their own collective expertise about conditions in King County, the R and A Committee members developed a set of activities that would be priorities for Project Transition funding. These were:

- Support for providers of emergency food and shelter.
- Provision of chore services for persons placed in an extreme situation—that is, one in which they may not otherwise be able to maintain an independent existence.
- Outpatient community medical service and emergency dental care for indigent persons (including maternal and child health care).
- Day-care support for children of low-income parents who are employed or in training programs.
- Support for summer jobs for low-income youth.

Launching the Project

A fund-raising campaign was needed to make the project a reality. The United Way agreed to mount the Project Transition campaign, with a $2 million target in tandem with its own Fall, 1981 appeal. In addition, the United Way provided $250,000 in seed money and donated staff and overhead costs for fund raising and administration of the project. The Project Transition Fund was a separate account, used solely for purchasing services, in priority areas, from existing voluntary agencies, both United Way members and nonmembers. Fund raising was limited to the 180 largest corporations and private foundations in the area. At the completion of the first year campaign, just over $1.5 million had been raised.

Using an already-existing data base, the Community Information Line, the R and A Committee was able to review 1,500 listings of social and health-service providers to identify those that delivered services in its priority areas. Applications were then mailed to these 68 agencies. They contained detailed program specifications that had been hammered out by the R and A Committee. After the agency proposals were received, they were reviewed by subcommittees of the R and A group. Recommendations were forwarded to the Project Transition Committee, whose members made the final allocations decisions.

Although Project Transition was originally envisioned as a short term project, fund raising was repeated during the Fall of 1982. Just over $1.1 million was spent in 1983, $900,000 of which was raised from local corporations and foundations. In 1984, the United Way made a $500,000 commitment and continued to purchase services on a contractual basis from some of the agencies that had been recipients of Project Transition funds.

Benefits and Results

Participants in the Project Transition process list these among its benefits:

- The attention of all of those responsible for human-service funding (government at city, county and state levels, as well as corporate, foundation and church-based organizations) was focused on priority needs. Funders could target scarce resources and avoid duplication of effort.
- A new base of trust developed among public and private sector funders, creating an atmosphere in which each side was able to learn from the other. Corporations say they have a better appreciation of the hard decisions public sector human-service executives face when social-service budgets must be pruned. Corporate executives are also heartened by the public sector's continued use of tough-minded priority-setting procedures they believe corporate participation helped to spawn.
- Contracting for services worked so well during the project that the United Way has now adopted it as an ongoing part of its funding strategy.
- The community was able to mount a response to a funding crisis within a relatively short time—without establishing a costly new bureaucracy. The United Way was used for fund-raising and administration tasks, and a volunteer group was used for decision making and allocations. Time and expertise, the major cost factors, were donated by the volunteers and their organizations. During the first year of the program, the Project Transition Committee met four or five times to review the recommendations of the R and A Committee. The latter group estimates that it invested more than 300 hours in planning and implementation tasks.
- Funders bought time for agencies, so that they could develop alternate sources of income. Today, funders say they are seeing tighter agency management and evidence of more creative fund-raising through fee for service and other revenue producing activities. Providers of emergency food, shelter and health care have formed a Survival Services Coalition. Agencies in this group lobbied successfully with the city for local funds to replace their transitional funding. The city made $500,000 available during 1984 and budgeted almost $1.3 million for 1985.

Project Transition participants offer these insights about why this process worked:

- Early brainstorming sessions were effective in formulating a sharply focused policy framework for the Project. Limited dollars would be focused on people; the funds would pay for direct client services for those who had been served (or were eligible) prior to funding cutbacks. This formulation had a strong appeal to corporate funders, who were concerned about immediate human suffering, but resistant to entreaties that they "fill the gap" left by state and federal funding cuts.
- There was a prior history of cooperation within the private sector and among the public sector executives and the United Way. This project helped to link the parties.
- The representatives from each side shared the burden for major tasks. The public sector absorbed the major part of the research and problem identification tasks; the United Way smoothed the way by providing staffing and meshing the fund-raising campaign with its own annual process. The corporations provided fund-raising clout. Commitment of top corporate officers helped launch the project, and two corporate CEO's (from Skinner and Univar) exerted strong fund-raising leadership. They made the rounds to corporations and foundations, convincing those who had already given large amounts to United Way that they must also support Project Transition. This was done in the face of an economic downturn that affected profits of many corporations in the Seattle area. The CEO's were, in the words of one donor who received a fund-raising visit, "*very* persuasive."

A Campaign to Fund Summer Jobs for Youth

The Summer of 1982 promised to be a bleak one for disadvantaged teens in King County: Jobs available through federally funded programs had reached a high of about 5,300 in 1980, but fewer than 2,000 were likely to be available in 1982. This situation was compounded by a depressed economy in the area, which meant that private sector firms would be doing less summer hiring. Projections for summer unemployment rates in the 16 to 19 age group were placed at 39 percent among minorities, and 21 percent among whites. The prospect of too many teens with time on their hands raised specters of increased vandalism and higher crime rates.

At a meeting in March 1982, representatives of service agencies and public- and private-sector funders discussed the situation. Little time remained to make decisions and take action. Corporations in the area were retrenching and laying off employees. They were not in the position to offer jobs—but would, perhaps, be able to fund some in the nonprofit sector. The countywide mechanism that had been used to distribute federal moneys under CETA (Comprehensive Employment andTraining Act)—the Employment and Training Consortium—was still in place, thus fast action was possible if funding could be found.

SAFECO Insurance decided to take the lead in a one-time fund-raising campaign within the private sector. The campaign target was $300,000, or 250 summer jobs at a cost of $1,200 per placement (the teens would be paid the minimum wage). It was stipulated that all of the new funds would go directly into program, and any additional administrative costs would be absorbed by the Employment and Training Consortium. SAFECO's CEO sent personal letters to 100 area corporations and foundations, asking for donations ranging from $5,000 to $20,000, and SAFECO made a $50,000 leadership gift. By the June 15 fund-raising deadline, another $220,000 was pledged by seventeen corporations, two family foundations, and the board of Project Transition.

Costs for teen placements turned out to be less than the $1,200 originally estimated, so that the $270,000 funded 261 jobs. The funds were paid to a nonprofit arm of the Seattle Chamber of Commerce, which then turned them over to the Consortium. The Consortium distributed funds to three program operators in its existing system: The King County

Department of Youth Services placed 121 teens; the City of Seattle Youth Services placed 90; and the Seattle Public Schools placed 50. The Puget Sound Private Industry Council (PIC) contributed $5,000 to cover enrollment costs for a two-day labor-market workshop for the teens given by the City and the Public Schools of Seattle as a preliminary to the eight week summer-job program. The youths, aged 16 to 19, worked 32-to-40 hour weeks in jobs ranging from file clerks and receptionists to landscaping and light carpentry. Employers included area colleges and nonprofit agencies, public agencies, and small businesses.

This public-private sector endeavor worked, according to observers, because:

- The public sector had little to lose—its summer youth program was suffering from federal funding cutbacks and some outside help was better than none.
- Corporations, discouraged about their ability to have an impact through some kinds of human-service funding, believed that youth activities might be a possible exception. They hoped that short-term intervention could make a difference; the fund-raising activity was billed as a one-time, transitional endeavor.
- Dedicated and creative individuals within the public and private sectors were willing to invest time and exert leadership to get this project moving.
- Many of the players involved in the process knew each other through prior interaction—or brought with them a reputation for credibility.

Public-Private Sector Cooperation Extends Statewide

Over the past few years, much public attention has been focused upon shortcomings in the performance of students and teachers in public elementary and secondary schools. In Washington State, discontent with public education reached a critical phase during the 1982 session of the state legislature, when the lawmakers established a Temporary Committee on Educational Policies, Structure and Management. The Committee was given a very broad mandate: to conduct a review of Washington's educational system from elementary school through college.

While this public sector committee was at work, the private sector also took action. The Washington Roundtable, an association of Chief Executive Officers from more than 30 major corporations in the state (as well as two private citizen members), was organized in March, 1983, and has its headquarters in Seattle. Its charter is to research, analyze and make recommendations on public-policy issues of critical interest to the state of Washington. Members chose to make a study of public elementary and secondary education as their first major project.

In addition to launching its own study, the Roundtable gave financial support to the Temporary Committee and to a nonprofit group, the Citizens Education Center Northwest. The Center mounted a Citizens Education Campaign. Using research material from the Roundtable and Temporary Committee, it developed a campaign booklet which organized the issues "in a way citizens could understand." Then the Center held public meetings throughout the state to elicit the key issues of concern to citizens. This information was shared with the Temporary Committee, the Roundtable and the Legislature.

Although each of these groups carried out independent studies, there was open cooperation among them. The Roundtable study, beginning almost a year later and more narrow in scope, was able to build on the Temporary Committee's advance groundwork.[3] (See box, page 33, for an explanation of the research process.) A further outgrowth of the research and public meeting process was the formation of an Education Leadership Group, a continuing voluntary association of "educational insiders and outsiders" who have a common interest in improving the state's education system.

Help for "At Risk" Preschoolers

While many indirect linkages can probably be made between educational issues and human-service concerns, one of the most direct links in these studies is in the preschool preparation of three-to-five year old children who are "at risk." Included in this group are children from families with an income below the poverty line, abused children, and children born to teenage parents. (Preschool for handicapped children is already provided by statute in the state of Washington.) The establishment of a statewide preschool education program, based on the model of the Federal Government's "Head Start," was one of the priority recommendations of both study groups.

Citing its reviews of research, the Temporary Committee noted a lack of compelling evidence that preschool education programs are effective for all children, but "clear evidence that they are a positive factor in educational experiences of disadvantaged and handicapped children." Both study groups were particularly impressed with the findings of a study done at the Perry Preschool in Michigan (also known as the High-Scope project). The research indicated that Perry Preschoolers, when grown, were less likely to be welfare recipients, to serve jail terms, or to have teenage pregnancies than were children deprived of that preschool experience. Moreover, the Perry children were more likely to hold jobs and go on to college. In Washington, experts estimated that although approximately 20 percent of the state's preschool children fell into the "at risk" category, only about 14 percent of this group received care under programs such as Head Start. Recommendations, issued separately by the Temporary Committee and the Roundtable, are summarized below. Unless otherwise noted, the recommendations were similar in both studies:

[3] To date three publications have been issued: Washington State Temporary Committee on Educational Policies, Structure and Management, *The Paramount Duty*. Olympia: The Evergreen State College, 1985. The Washington Roundtable, *Educational Governance and Finance in the State of Washington*. Seattle: The Washington Roundtable, 1985. Also: *Interim Roundtable Report on Education*. Seattle: The Washington Roundtable, 1985.

Building Consensus and Raising Public Consciousness Through Statewide Studies

A broad cross section of Washington residents participated in the debate about their state's educational system. There were public hearings on reports, testimony and advice from a variety of experts and consultants, and Roundtable researchers visited one third of the 298 School Districts in the state.

The Temporary Committee's Process

The membership of the Temporary Committee included four legislators and thirteen private citizens. The Committee, funded by the Legislature, with supplementary grants from corporations and foundations, started its deliberations in August, 1982, acquired staff in January, 1983, published an interim report in January, 1984, and a final report in the following January. The process began with a series of public meetings. Next, the Committee sought advice from more than a dozen consultants, heard testimony from 260 experts, and reviewed more than 25 research papers, prepared by staff and outside experts. Material drawn from these sources formed the basis for draft and final reports.

Findings and recommendations were circulated widely and reviewed at about 20 public hearings throughout the state, a process that was supplemented with public opinion polls. Committee members made a formal presentation on their findings to the Governor and various legislative bodies.

Under its mandate, the Temporary Committee terminated its work with the end of the legislature's 1985 session. Its report is far ranging, covering such topics as educational standards, quality, governance and financing, and forms the basis for continued debate and legislative action.

The Washington Roundtable Process

Three tiers of business executives were involved in the Roundtable's process. Day-to-day assignments were handled by a full-time executive director, who worked with a number of full-time loaned executives whose services were donated by Roundtable member companies. This group carried out the research tasks for the study—including literature reviews; interviews with education officials at the state and local level; and consultation with education experts. They also visited 100 of the school districts throughout the state. Immediately above this group in the organization was a committee of ten executives, chaired by a vice president of The Boeing Company, that exercised a "quality control" function over the work of the researchers. It probed and challenged the research findings of the group, and reviewed working drafts of the report before presenting them to the Roundtable's Education Committee. Chaired by Boeing's CEO, this committee was composed of seven CEO's and a private citizen member of the Roundtable.

The research process began in June, 1983. With early results in hand, the Committee agreed upon eight long-range goals for education in the state and a list of priority issues. The loaned executives analyzed 16 of the priority issues, and the Education Committee heard hours of presentations on them. An interim report, issued in January, 1985, was approved by the Roundtable as its official position. It made 12 priority recommendations for action by the State Legislature, Board of Education or the Office of the Superintendent of Public Instruction. Early childhood education headed the list. In late 1985, the Roundtable updated its recommendations to reflect progress made in that year's legislative session. It will be pursuing its updated agenda with the 1986-1987 legislature.

- A comprehensive statewide program for "at risk" children should be established, based on the "Head Start" model—this includes a full day of developmental care as well as related services, (including health), and parental involvement.
- The program should be phased in over a multi-year period to allow adequate time to prepare facilities and to hire and train staff.
- The relationships between preschool programs and the public educational system should be the shared responsibility of the district and the preschools. (Temporary Committee)
- To complement the preschool experience, "at risk" children should have access to a full-day kindergarten program at age five. This should be funded by the state and organized at the local level. (Roundtable)
- The state should establish a staff position devoted to early childhood education within its office of the Superintendent of Public Instruction to work with schools on the establishment and operation of preschools and full-day kindergartens.

Implications of the Statewide Process

It will probably be several years before the legislative outcomes of the recommendations made by the Temporary Committee and the Washington Roundtable are known. While several bills relating to the recommendations were passed by the legislature in 1985, the state is experiencing a fiscal crisis. The fate of many recommendations will be contingent upon the future availability of funds.

Only a portion of the recommendations of both groups require legislative action, however. Others can be put into motion by the State Board of Education or the Superintendent of Public Instruction. They are likely to be the focus of future campaigns by the Educational Leadership Group, Citizens Education Forum Northwest, and the Roundtable to keep the spotlight on educational reform. The experiences of the Roundtable, Temporary Committee, and the others involved in the education studies may be applied to statewide efforts in human services or other areas:

• *Cooperation*: Although the groups were operating independently, they agreed early on to cooperate and coordinate their efforts. A conference, organized at Battelle in October 1983, brought representatives of the Temporary Committee, the Roundtable, and Citizens Education Center together with others interested in the State's education system. They began to work jointly on a common agenda. This process is continuing through the work of the Educational Leadership Group, a new coalition born from the study and recommendation-formulation process.

• *Catalytic Action*: The business community was the "new and critical" factor in this process, according to participants. Educators and interested outsiders realized that business clout was needed to move reforms to center stage. Many felt that position was essential in order to get additional state revenues. Early concern that business interest would be limited to cost cutting procedures and that the business community might align itself solely with school administrators proved not to be the case. "Business went where the issues took it; there was a broken pattern," said one observer. The establishment of a Standing Committee on Education within the Washington Roundtable guarantees its continuing activity. The Executive Director of the Roundtable's study project feels that the commitment of full-time loaned executives to carry out the research meant that business committed itself the study. The business community is much less likely to read and take lightly or dismiss the results—as it might have if the study had been done by an outside consultant.

• *Increased Understanding*: Increased interaction has brought reforms in the way groups work together, perceive each other and understand each other's position, according to participants. It helped to *clarify* the interests and positions of the various groups which have a stake in improving the state's education system. Individuals whose organizations once had an adversarial relationship report a change in attitude. Although they might still disagree, they say that they have learned to like and trust each other. This is true for competing groups of educational "insiders" as well as between "insiders" and "outsiders." Participants believe that the depth and breadth of the public debate brought about by the process has had an immediate result in that more people are attending to educational issues. "There is a better understanding of the complexity of the issues and the insufficiency of easy answers."

• Observers indicate that members of the Temporary Committee, the Citizens Education Center, and the Roundtable—"outsiders" to the educational community—hastened the process of cooperation among competing interest groups within the educational establishment: Within the broader forum supplied by the outsiders (and the pressures they sometimes applied), rigid positions turned more flexible, allowing for compromise and joint action. The Educational Leadership Group, the most tangible outcome of this process, is continuing to meet, and is planning an agenda for future action.

A Local Stake in a Nationally-Sponsored Effort

Contributions officers in Seattle-area corporations admit that they had reservations about becoming one of the cities to implement a local program under the aegis of a national organization, the Local Initiatives Support Corporation (LISC). The organization concentrates its activities in major urban areas, working with advisory committees of representatives of local corporations and foundations that have raised pools of private funds for development in their communities. Matching the private funds, LISC works with local committees to place loans and grants with community organizations that meet its criteria. These include strong leadership, good ties to local government; community support; experience in program management, and the potential to get increased support from both public-and private-sector sources.

The LISC concept was originally tested on the East Coast, with significant support from the Ford Foundation. Residents of the Pacific Northwest tend to prefer home grown projects, say the representatives of Seattle corporations, and sometimes bristle at the notion that innovation is solely the province of those on the East Coast. In jest, they say that they were suspicious of this "East Coast transplant." Nevertheless, attracted by LISC'S matching concept, a number of area funders decided to try the LISC approach in 1983. "We took our time getting organized," says a participant. Not only did they work out ground rules for their relationships with one another, but they developed a seven-page statement of "operating ground rules" for the relationship between the Seattle Advisory Committee and the national LISC. This process took almost three months, but participants feel it was a critical element in the success of the project: "We brainstormed, we outlined our concerns, we reviewed, and we sent questions to New York. When we were finished, we had consensus among ourselves and with the national LISC. We had a concrete plan and we had the ground rules on paper."

By the time the group announced its readiness for the first round of funding in December, 1983, $369,500 had been raised locally from fifteen organizations, including ten corporations and three foundations. The fund-raising effort was spearheaded by Pacific Northwest Bell, whose contributions executive chaired the LISC Advisory Committee. She says: "This was a natural for us. We are very much behind a United approach, and are usually one of the top three contributors to the United Way or other unified appeals."

Within the first year, the group funded eight organizations, making ten loans and five grants. While the LISC focus is on physical and economic development, this funding also has an impact on basic human needs. For example:

• A church group that had formed a nonprofit corporation with a proven ability to manage two multiple-unit low income housing projects in downtown hotels received a loan to acquire and manage a third hotel. This protected 72 units of low-income housing from elimination and gave the group an equity position in the hotel.

• A community-development group in the southeast sec-

tion of the city needed LISC funds for a demonstration project to train young people in small scale construction jobs. Since the group had a successful track record in previous projects, LISC helped it to get started as a subcontractor by giving the group the funds needed as guarantee on a surety bond, and a line of credit that project executives will use to pay for leasing equipment. (If the group is successful in the new project, it may be able to buy the equipment later.)

Although the Advisory Committee identified 500 agencies in the Seattle-Tacoma area that might be potential recipients of LISC funds, it soon became apparent that few were sophisticated enough to meet the LISC criteria. "Many of the groups had great ideas, but they couldn't get them off the ground," says a committee member. "They didn't know how to get the rest of the funds needed to put together a complete package." The liaison person from the National LISC identified agencies that were almost "ready," and worked with these organizations to help them develop the needed sophistication in management and financial packaging. Committee members report that, overall, the agencies they have helped have been able to carry out their part of the bargain.

Individual Program Profiles

Rainier National Bank and *Seafirst Corporation* are among the largest banks in Washington State, and both make their headquarters in Seattle. Seafirst had been the premier bank in the Northwest in the 1970's, but was battered by loan losses in the early 1980's. In 1983, it was acquired by Bank of America and was reported to be profitable in 1984. Seafirst maintained its community affairs program during the dark years, because the company felt "it is very important to continue providing contributions and volunteers for community projects." To do otherwise, says its Senior Vice President, Marketing/Corporate Affairs, "would be to send the community the message that the Bank doesn't care."

Seafirst takes a "comprehensive approach" to community involvement, according to its Vice President and Manager, Community Relations, who is responsibile for the program. The Bank's corporate mission statement includes direct community involvement as one of four corporate goals. Seafirst enhances its contributions dollars with noncash donations and with the involvement of employee volunteers. It sharply targets its program. The four major areas of interest are: human services, education, community development, and quality-of-life issues. One of its recent education projects has been an "Excellence in Education" award for teachers. It is investigating ways to address child care, a quality of life issue, say its executives, out of a commitment to take action before unmet needs escalate. Community development concerns are evidenced in its support of the local LISC project (page 34).

The bank's employee volunteer program encompasses more than 2,000 employees statewide. In its short life span, it has been recognized in the community as a model program, and in 1985, it received the Governor's Award for voluntarism. Not only are employees encouraged to volunteer in organizations supported by the bank, but insights they provide about needs are used to set contributions priorities.

Rainier executives, who say they now hold the number-one position among banks in the state, generally operate their social-policy programs under a philosophy that dictates: "We do the right thing because it helps solve a problem; we don't do it to get credit." A Social Policy Committee that meets on call (usually quarterly) discusses "any policy or program that makes the company a more responsible entity wherever it does business." Two programs have recently been developed in the social-policy area. One is internal, a "clean indoor air policy"—no smoking. The company feels that it is preferable to be in the lead and to prepare their own plans rather than do it as a result of legislation. The second is a checking account which is particularly well-suited to students, poor, elderly, the unemployed, and so on, in that it will provide low-cost, no-minimum-balance checking.

The contributions program supports United Way in the human-service area; it does not usually provide support for such other activities as foodbanks and emergency services. "We emphasize self-reliance and self-sufficiency. Instead of giving people fish, we try to teach them *how* to fish," says Rainier's Vice President and Manager, Social Policy. For that reason, support is more likely to go to employment and training programs. In fact, the Bank has its own in-house low income-youth-employment program.

One of the major commitments in the contributions budget is higher education. This reflects a strong belief "up and down the hierarchy" of the corporation about the importance of investing in young people and in the future. Support for scholarships is currently on the rise, with a new emphasis on helping third-and fourth-year business students, specifically minorities and women.

A participant in Project Transition, LISC, the Summer Youth Employment Program, and the Washington Roundtable study, *Weyerhaeuser Company* maintains a high profile in the Seattle-Tacoma area. The major thrust of its community program surrounds quality-of-life issues, with human services as a key element. During the early 1980's, the company made contributions to both the King and Pierce County United Ways and also maintained a discretionary budget to help individual agencies. Projects funded were usually in the "emerging need" category—for example, child abuse and temporary shelter for the "new" homeless. Both member and nonmember United Way agencies are eligible, but the former generally receive support only for new programs not yet covered by United Ways funds.

The human-service area overlaps with what might be considered "civic and community" concerns. As demonstrated by Weyerhaeuser's support of LISC and summer youth employment, jobs and economic development have been high priorities for the past five years. In both categories of support, slightly higher proportions go to Tacoma, the company's headquarters, than to Seattle. There are more company em-

ployees in Tacoma, and the city has fewer corporate donors.

Arts and culture and education also receive attention. Most arts support is covered through Weyerhaeuser's donation to the local Corporate Council of the Arts (a federated arts and culture agency). Donations to individual arts and culture groups are rare. Small grants to educational institutions are made through the company's "quality of life" program. Major gifts are drawn from a separate education program which is focused on specific company concerns. Funding goes to fellowships at designated schools in areas such as forestry, engineering and business. There is also an externally managed scholarship program for children of Weyerhaeuser employees.

Other special elements of the Weyerhaeuser contributions package include a Forest Resources Program, focused on areas such as conservation, and a general program to cover "hybrid" projects that fall in no other category. These include support to some national groups, but are mainly special projects undertaken at the initiative of the foundation's trustees.

There will be significant changes made in some of these programs during 1986 due to the company's general reorganization and downsizing activities—the result of a difficult economic climate for the country's forest products industry. The fellowship and forest resources program will be terminated. Overall spending on philanthropy will be reduced, with highest priority going to commitments currently in place and to critical new needs in communities where Weyerhaeuser has its major facilities. All major new initiatives are expected to be deferred, and there will be little discretionary funding.

Burlington Northern's contributions executive assesses local needs by submerging himself in the grant-making melee. He maintains broad community contacts; listens to funding requests by phone (although the seeker must ultimately submit a written proposal); handles all his own mail (with the help of a word processor); invites media coverage; and announces his mailing address to all nonprofit groups that might request aid. He says: "I don't believe in mounting a lot of fancy programs. Our giving program is designed to be flexible. I'm not afraid of volume, and I use it to judge need."

Higher education remains a priority for the company, and substantial gifts go to the three major institutions in the area (the University of Washington, Seattle University and Seattle Pacific University). A scholarship program that matches local high-school seniors to local colleges is being pilot tested in 1985 and, if successful, will be launched in 1986. Arts support is also a growing area in the company's budget, with a major gift to the Seattle Art Museum upcoming.

The company does not give as much to United Way as some other major corporations. According to its contributions executive: "Giving to United Way doesn't take care of our need to respond to human-service problems." Burlington Northern supports a variety of individual human-service agencies. Child abuse and emergency food are among its major targets locally, while problems of battered women, ex-offenders, and senior-citizen health are receiving attention through the company's giving in other Burlington Northern facilities. Hospital and medical support is being curtailed, while giving for youth and civic services (environment, recreation) remain steady.

Employee volunteers will be in the spotlight when the company's new GIVE (Grants for Individual Volunteer Effort) program is launched in 1986. A person who volunteers to work for a nonprofit agency and gives it a donation of $50 or more, makes it eligible for a grant of $150 to $200 from the Burlington Northern Foundation.

The Boeing Company, the major employer in the Seattle area, has a contributions program that emphasizes three major areas: *education, health and human services* (such as United Way), and the *arts* (especially capital campaigns). An overall budget is set at a level that will allow the company to have a "sustained program," with ample provision for contingency funds to address local problems. "There is no major cultural enterprise in the area without Boeing funding or, at least, participation on the board of directors," says a public-affairs executive who is involved in the program. He adds: "We also tend to tackle the crying needs." The company has been very active in the food-bank movement, collecting donations from supermarkets and other sources, transporting them to central depositories, and providing oversight and management support.

Boeing's educational commitment is far-reaching, ranging from an extensive scholarship program to affiliate programs with business schools, to matching employee gifts and providing volunteers (e.g., 40 or 50 company advisers each year for Junior Achievement programs). A major current emphasis has been public elementary and secondary education. Not only did Boeing's CEO chair the Washington Roundtable's statewide study of this area, but it contributed a substantial part of the in-kind services the project received (the total for all companies was about $300,000). For example, company employees designed, administered and analyzed a questionnaire that the project's researchers used with teachers throughout the state.

About Boeing's projects in the elementary and secondary schools, company officials say that while they try to develop "creative ways to enhance the curriculum," they do not want to replace the school districts' responsibilities. Among recent projects were:

- A "Computers for Kids" project for fifth-grade students who competed with peers in other schools to develop a business proposal. The winning group received a computer.
- Adoption of a School District program in which employees in a whole company facility are on call to district schools to teach electronics, physics, science and math. (This takes place at several Boeing facilities.)
- Mentorship programs in which students work as interns in the company, for classroom credit, without salary, at starting-level jobs.
- Career tapes featuring videotape interviews with workers on entry level jobs in career areas such as electronic technology. Interviewees describe the job, the working environment,

the kinds of high school classes and/or follow-up education that is needed, pros and cons of the job. Boeing staff members are working with a local TV station to develop the tapes, and hope eventually to profile a total of 25 careers. The objective, they say, is to "present a very realistic picture: We are not selling a career or a company." When completed, a set of tapes will be distributed to every high school in Washington State.

"We try to emphasize that getting involved doesn't always mean handing over a check," a Boeing official says. The company does printing for nonprofit agencies, provides transportation, and lends executives. In a recent year, 19 managers were on loan to the King County United Way's Management Assistance Program alone, an estimated in-kind contribution of $200,000. Rough calculations indicate that the company has loaned about 360 executives since 1953.

Boeing employees make their own impact in the Seattle area. Volunteering is encouraged throughout the company. The employee newspaper lists agencies in need of volunteers or board members. A Christmas season outreach program yielded 175,000 pounds of food as well as other gifts for needy area residents. Like employees at Perkin-Elmer in Danbury, Boeing has a Good Neighbor Fund. Approximately a third of the fund's resources ($10 million pledged in 1984) is administered by an elected board of four salaried and four hourly employees, and is distributed to a variety of agencies; the remainder is donated to federated campaigns.

The United Way of King County

With more than 114 member agencies and recent annual allocations around the $25-million level, the United Way is a major force on the human-service scene in the Seattle area. Its annual fund-raising campaign extends into more than 35,000 area organizations. In 1984, corporations loaned more than 100 executives to work on its 10 week campaign; pledges and contributions increased more than 8 percent over the previous year. United Way executives in other cities sometimes cite King County's as a model for effectiveness and innovation. The agency's key role in initiating and helping to implement Project Transition, discussed above, appears to be indicative of the trust and commitment it inspires within the corporate community and of its corresponding influence within the human-service community.

Planning and Allocations

With this high visibility comes increased scrutiny of the United Way's stewardship of its $25 million in resources—especially the degree of responsiveness and responsibility reflected in decisions made within the key planning and allocations functions. One committee, with 200 members organized into 12 Conference Panels, has responsibility for overseeing the combined planning and allocation process. Members serve on a volunteer basis, and are broadly representative of community leadership in both private and public sectors. A special effort is made to represent minority groups at a level approximating their presence in King County. Currently, minorities represent 12 percent of the population of the county and about 20 percent of the total membership of the Planning and Allocation Committee. Members serve a three-year term so that one third of the Committee membership is new at any one time. The panels on which the members serve cover such areas as: emergency-assistance services; community development and employment services; aging and physical health; residential care and family services, and so on.

The planning process exhibit begins soon after new committee members come abroad in February. (See Exhibit 2, page 38 for on outline of the planning process.) The panels must review the service supplied by the agencies in their designated areas of responsibility, assess the level of continuing needs and set priorities for areas of new or increased need. To do this, they meet with the agencies and with relevant coalitions of public- and private-sector funders (e.g., the Countywide Area Agency on Aging), and review printed data from external sources, as well as specially prepared United Way briefing materials. This includes a "state of" review of major program areas as well as data from service agencies.

After analyzing the data, each panel prepares a report, which goes through several review phases before it is distributed to the member agencies (to guide their budgeting) and the United Way Board in September. In 1984, United Way staff prepared reports on 33 major program areas for review. A top priority identified for the 1985 year was child abuse and neglect. A sampling of other priorities statements appears in Exhibit 4, page 39.

The panels spend the latter half of the year hammering out allocations decisions. Each panel starts with an allotment of core funding for its area, about 80 percent of the total it has available; they compete for the remainder. To do this, they must make decisions about how new funds will be spent based on their planning review and statement of priorities.

The planning report's priorities are also the starting point for assessing the proposed budgets submitted by United Way member agencies. The full allocations process is detailed in Exhibit 3, page 38.

Who Receives United Way Funds?

The most direct way to receive United Way funds is to become a United Way agency. Three or four new agencies join the King County United Way roster annually. In recent years, new agencies include counseling and referral services for Hispanic residents, "senior rights" assistance services, child-development centers, mental-health centers, and a job bank and information and referral service for youth. Many more agencies apply each year than are admitted.

Two alternative sources of funding are possible for non-United Way agencies. Building on its experience during Project Transition, the United Way continues to *purchase services*

Exhibit 2: United Way of King County Planning Process

PLANNING

Emphasized in early months of year.

1 **Assess Community Service Needs.**
- Client characteristics
- Population changes
- Employment trends
- Changing value of money
- Community resources
- Constraints

2 **Conference Panels**
Develop Planning Reports.
Consider:
- State of programs
- Increases in service
- Changed emphasis
- Contraction of services
- Priority thrusts

3 **At-Large Committee**
Review, modify, recommend to Planning & Allocations Committee
Consider:
- Program overlap implications
- Objectives

4 **Planning & Allocations Committee (PAC)**
Review, modify, recommend to United Way Board of Directors:
Consider
- All Panel Planning Reports
- At-Large Committee proposals
- Merits of programs and alternatives
- Ramifications of overlapping programs
- Consistency of United Way and community goals

5 **United Way Board of Directors**
Final decision.
Consider:
- Consistency of recommended goals and planned programs
- Effect on United Way and community

PROGRAMS of the FUTURE

Consumers
Technicians
Professionals
United Way agencies
Non-United Way agencies
Government groups
Labor groups
Management groups
Contributors

* Results of a strategic planning effort in 1985 will mean a realignment of Planning and Allocations during 1986. Structural changes anticipated in 1987 will modify this process.

Exhibit 3: United Way of King County Allocations Process

ALLOCATIONS

Emphasized in later months of year.

A **United Way Agency Boards**
- Present proposed program budgets
- Indicate relevance to Planning Report
- Discuss alternatives

B **Conference with each agency:**
Consider:
- Volume of Service
- Quality of service
- Changes in support/ revenue and expenses
- Program deficit(s)

C **Conference Panels**
Recommend:
- Basic allocation for each agency
- Additional program priorities

D **At-Large Committee**
Reconcile proposed basic agency allocations and priority funding proposals with final Board appropriation▲
- Set out alternatives

E **Planning & Allocations Committee (PAC)**
Consider:
- All Panel allocation proposals
- At-Large proposals
- Consistency of allocation proposals and planning report

F **United Way Board of Directors**
Final Decision.
Consider:
- Consistency of goals
- Relevance of allocations to planned/recommended programs

PROGRAMS of the FUTURE

G **Approve United Way budget (including appropriation for allocation).**

H **Propose allocations for Panels**

I **Approve initial basic allocations to Panels.**

▲ The total amount of money appropriated for basic allocation to agencies is not known to the Conference Panels until after they have completed their reviews of agency budgets and their meetings with agencies. The amount available to fund additional priorities is not known to the At-Large Committee until the United Way Board revises its preliminary budget in November, when the results of the fund drive are known.

* See note on Exhibit 2.

from nonmember agencies. Such services are contracted for annually, and "no commitment is made for renewed or expanded funding," say United Way officials. About $537,000 went to agencies in five service areas in 1984: assistance to rape victims, translation services for refugees in need of health care, chore services for low-income elderly, emergency shelter, and outpatient medical and dental care at community clinics. Two new agencies, a clinic and emergency shelter, were funded in 1985.

One percent of the annual budget is set aside for *development and demonstration grants*. The purpose of this program is to fund innovative approaches to emerging community problems. In the period from June, 1983 to May, 1984, 12 of the 35 agencies applying for these funds received support. Projects included:

- *Central Area Motivation Program*: This first-year grant allows the recipient agency to provide assistance to displaced workers in such areas as assessing transferrable job skills, assessing needs for retaining, identifying support services in the community and building support groups.
- *Common Ground* was awarded a first-year grant to provide housing for mentally ill persons capable of independent living with day treatment and off-site supervision.
- *El Centro de la Raza* was awarded a first-year grant for the Frances Martinez Community Service Center to respond to emergency needs of the low-income Chicano and Latino population in the Seattle-King County area.
- *Hands Across the Years Foundation* received a first-year grant to provide a day-care program for children. The program will be located in a nursing home.

Nonmember agencies are also eligible to participate in such United Way-sponsored services as training for prospective agency board members; a newly launched, automated volunteer skills bank; and a management assistance program, through which corporate and other specialists offer agencies a variety of support services (e.g. consultation about the purchase of a new computer).

An Agency Information Bureau

Since 1974, the United Way has been expanding and refining its data base of information on area human-service agencies. It is the source for standardized reports used by grantmakers to screen agencies and for self-evaluation by the agencies. About 150 agencies, both within and outside of the United Way, are covered. The reports rate an agency's budget process, financial management, funding stability, board participation, financial audit data and data about client services as well as a brief program description. The reports are prepared by specially trained United Way staff members, and United Way literature notes that "reviews and information are based on objectivity, research and information gathering." The individual agencies provide the information for the reports, but site visits and discussions with the agency executives are usually part of the process. Each agency receives a copy of its review, and may make comments or observations on a separate form that is attached to the report when it is sent to a prospective grantmaker. About 70 percent of the reports distributed annually deal with non-United Way agencies. Such reports are used by grantmakers, members of United Way panels involved in allocation decisions, and in the review of all agencies requesting Development and Demonstration Grants.

Exhibit 4: United Way of King County: Selection of Funding Priorities for 1985

Aging and Physical Health

—Home health care, particularly for those in greatest economic need.
—Social development for older adults.
—Comprehensive volunteerism.

Building-Centered and Day-Care Services[1]

—Day care for children, with emphasis on services to teenagers, programs that significantly involve parents and collaborative training efforts for volunteers and staff.
—Transitional housing for those no longer able to remain in an emergency shelter and seeking to relocate to a more permanent housing situation.

Community Development and Employment

—Comprehensive planning and development, particularly programs that demonstrate coordinated and collaborative planning endeavors between agencies with common or overlapping issues and concerns.
—Employment services for the hard-to-place.

Emergency Assistance

—Emergency shelter care, particularly for abused women
and children.
—Comprehensive emergency assistance for working poor and unemployed individuals.

Youth and Family Support

—Counseling, particularly directed toward the problems of physical and sexual abuse and the high incidence of alcoholism and substance abuse by children.
—Comprehensive family life education, especially for services intended to lower the incidence of child abuse
and educate youth on the dangers of alcoholism and substance abuse.

[1]Programs delivered in agency-owned buildings by such organizations as Y's and Boys Clubs are considered "building centered" as are day care centers.

In addition to its report service, the Agency Information Bureau provides information about United Way activities and about recent human-service trends, and publishes a newsletter for grantmakers. Service agencies may request general consultations with Bureau staff about grant making by corporations and foundations in the area, although no referrals will be made to individual funding sources. Agencies can also find out about workshops or training programs in the area by contacting the Bureau.

The Public Sector Role

Funding for human services in the Seattle area is available from all levels of government. Closest to home, the city funds "community services" that include activities such as community clinics and emergency-shelter programs. The County takes planning, funding and administrative responsibility for broad problem areas such as mental health and substance abuse. Prior to the 1981 state and federal funding cuts that sparked Project Transition, the city and county governments had relied substantially on state money to support such areas as chore services for the elderly and day-care subsidies for low-income parents. Federal moneys were used to support areas such as a summer youth employment and community medical and dental services. Funds from both sources were combined with local money to provide a wide array of emergency services.

Since Project Transition, the United Way has continued to supplement government funds going to agencies that deliver a number of these services. By using purchase of service contracts, it is able to pull back if additional government funds become available. For example, in a recent legislative session, the State put some money back into its chore service program, and the United Way is decreasing its commitment in this area.

Public-sector representatives voice some concern over what the funding picture will be in the next few years. The city increased its commitment to human services in the aftermath of Project Transition. A sales tax, which went into effect in 1984, has helped to underwrite such expansion, but the growth in these revenues is expected to level off by 1986. A big unknown in the future is the outcome of proposed cuts in the federal block grant program and in federal revenue sharing.

Says one agency representative: "If the block grant program is cut and federal revenue sharing goes away, then the new city money going to human services today will be switched to police and fire protection. These are key services that revenue sharing dollars have supported." If this happens, public sector representatives anticipate a new funding crisis for emergency services.

The Service Deliverers' Role

Two agencies help to illustrate the recent experiences and adaptations of area service providers. With roots in family counseling extending back to the 1890's, Family Services of King County provides a spectrum of services that includes basic family counseling, family-life education, consultation and referral for stroke and cancer victims and their families and for the recently bereaved (widows, widowers and children). The agency's 1984 income was just under $1.1 million, 68 percent of which came from United Way. Like many other nonprofit organizations around the country, this one has been concentrating on new sources of income—revenues that the agency can generate on its own. Program service fees, some coming from area corporations, accounted for a quarter of its 1984 income, or about $262,000 compared with $195,000 in 1983.

In contrast, Pierce County's Emergency Food Network, located in Tacoma, was created in 1982 in response to a need for a comprehensive distribution center for emergency food supplies. Private foundation moneys were used to "seed" the Network in its early years of operation. It is maintaining its distribution activities through food donations from companies and cash from individual area donors. In a climate in which donors emphasize investment in direct delivery of service, funds to cover administrative costs are difficult to come by.

Family Services of King County

This agency provides a comprehensive array of services designed to help families "move smoothly through the family life cycle." Family counseling is still the core of the agency's program, accounting for 52 percent of its 1984 expenses for direct services. The Family Counseling Program operates in seven locations in the county, using the services of 32 professionals and up to 15 graduate students to help individuals and families through problems in parenting, domestic violence, aging, job changes and general life stress. Group counseling is also available, and two recent projects focus on growing national and local concerns, family violence and incest. Almost 70 percent of the 2,148 people who received service in 1984 had family incomes of less than $15,000.

Family life education services give the agency a special opportunity to deliver services to those in need and raise income from those who can pay. It offers workshops on parenting skills, unemployment, managing job stress, "life choices" such as child bearing, and the like, to companies, schools, church groups, and professional associations on a sliding-fee scale. It is also developing a program that will offer at-home training on child development and parenting to "high risk" families. Family Life Service staff members developed curriculum models for 12 of the recent workshops. These are being offered for sale nationwide.

In addition to counseling and family life education, a variety of programs are provided which help families and individuals to cope with normal life crises:

- Stroke victims receive aid through the Evergreen Stroke Association and an allied program called *ARISE*. Professional counseling, telephone counseling and referral, peer support, and hospital visits are among the services available to victims and their families. Newly formed in 1984, ARISE offers a day program for those in post-hospital rehabilitation. This includes individual goal setting and group therapy. A staff of therapists

(occupational, speech, part-time social workers) work with the ARISE participants to help them reach their goals.

- More than 1,700 people called *Cancer Lifeline* in 1984. This 24-hour hotline helps patients and family members clarify problems, think through solutions, get referrals to community resources, and so on. Other activities of the program include counseling by phone, at home and in the hospital; family conferences and community education.
- The *Widowed Information and Consultation Service* helps those who have lost a spouse, as well as children who have lost a parent. Among the services are private counseling, group discussion, and telephone outreach.

Three new programs were added during 1985:

- The *Compassionate Friends* program provides support for parents grieving the death of a child or children. It offers support groups, a 24-hour telephone "hotline" and public information seminars.
- The *Family Anger Management Institute* (FAMI) helps families face domestic violence effectively. The program includes anger management classes for batterers, support groups for children and other family members affected by the battering. The Agency will soon be launching a Batterers Anonymous program to augment FAMI.
- *Facing Aging Concerns Together* (FACT) is a service designed to assist families facing the dilemmas of aging. It offers family consultations and limited long distance coordination of caregiving efforts. The Agency is developing support groups for children of aging parents.

The Employee Assistance Program is a final component of this family-service agency. Staff members consult with employees about their problems and review available services. Worksite seminars are offered in areas such as choice of quality day care, prevention of alcohol and drug abuse, "single parent survival." Other services include training for supervisors in techniques for spotting employee stress and helping them to make appropriate use of employee benefit packages. In 1984, services were offered to almost 600 employees through 20 workplace seminars; 95 employees received individual counseling and the number of service agreements with companies reached 16, an increase of 39 percent over 1983. The Employee Assistance Program is offered on a fee-for-service basis.

Tacoma's Emergency Food Network

As social-service suppliers and leaders in King County worried about the impact of state and federal cuts in that area in 1981, Pierce County officials were also concerned. Funding cuts and an unemployment level around 14 percent were causing problems for many Pierce County residents—adequate food was one. Bulk quantities of food were available from area producers and supermarkets, but there was no warehouse or comprehensive distribution system.

Several private citizens, including a then county official who is now the Governor, took an active interest in tackling the problem. Ultimately, the executive director of Tacoma's newly formed community foundation teamed up with a former nonprofit agency executive experienced in organizing the collection and distribution of food to local food banks. Together they did the basic organizational work that would make a food network a reality in Tacoma. Two local foundations, Medina and Cheney, each gave $25,000 to underwrite the administrative costs to start the project. The three major service providers in the food bank area (the Salvation Army, Fish Food Banks, and the Rescue Mission) agreed to become part of a larger organization; a local company donated warehouse space worth $10,000 per year, and the project got under way in 1982.

The Emergency Food Network is now in its fourth year of operation as a central distribution service for food banks in Tacoma. The three major providers already mentioned receive about 75 percent of the resources, and the remaining resources are shared by 30 local independent food banks that complete the network. The food comes from company donations (e.g., the Roman Meal Company gave product worth about $138,000), supermarket excess (e.g., products that are safe and wholesome, but not saleable), and purchases made with donated funds. Much of the donated money comes from individuals: Community fund-raising projects have included "pot luck" dinners for local residents which raised close to $5,000, and direct-mail campaigns, which now bring in between $5,000 and $6,000 a month. Individuals also make food donations: In 1984, a local newspaper sponsored a "Food for Thought" campaign. It distributed shopping sacks on which were printed the names of items people could buy to fill the sack. The sacks were then dropped off at the food-distribution center.

Network officials estimate that they can deliver $5 to $6 in food for every $1 invested in administration. But administrative dollars are hard to get. The program ran on an administrative budget that ranged from $85,000 in 1982 to $100,000 in 1984, but has cut its staff and is operating on a "maintenance budget" of $25,000 to $35,000 through Spring, 1986. It has eliminated pick-ups from supermarkets, which depend on volunteer help. Interest peaked and waned, officials say: "It's almost impossible now to get a volunteer to make a pick-up at supermarkets at the critical time—8 o'clock on a Saturday evening." The network is maintaining the level of food through continuing product donations from area businesses and individual responses to the direct-mail campaign. Administrative dollars are coming from the last installment on a federal grant for emergency feeding and housing, which pays the costs associated with maintaining the distribution facility in the donated warehouse space, telephone service and the post-card reminders needed to bring in the monthly $5,000 to $6,000 of donations from individuals.

"Corporations are only interested in providing money for service delivery. They won't give us administrative dollars," a Network official says. Nevertheless, the administrators are philosophical about the current status of the program. They feel they have an apparatus in place and know it is effective.

They believe that the current state of apparent apathy is to be expected after several years of intense interest. If a new round of government funding cuts brings another crisis, they feel they are ready, and they believe that the community will respond. As evidence of this potential, they noted heightened participation in the program in November and December, 1985 in preparation for the Holiday Season.

In the Future: More Debate?

Food is an appropriate illustration of a concern that is nagging the thoughtful observers and participants of the human-service scene in the Seattle/Tacoma area. Foodbanks and other emergency food measures have worked successfully in the area, with much less cost to government agencies and a greater spread of the burden across private donors, and sometimes service providers, who may be asked to absorb the administrative cost. Some consider this an appropriate and efficient development. Others argue that it is a first step in a series of attempts that state and local governments will make to shift welfare costs to the private sector as less federal money is available. And there is a basic conundrum posed by some: "How much free food is enough? At what point do we undermine people's self reliance and encourage dependency?"

The crisis atmosphere that surrounded human-service funding in the early 1980's has temporarily subsided. Funders have time to take stock. "Grantmakers in this area have their priorities set straight. They are addressing the needs and being compassionate," said one corporate-contributions officer. But asked whether they would consider a replay of Project Transition in the face of another round of federal budget cuts, (for example, in block grant and revenue sharing funds), they say, in effect: "Not so fast." They have a better understanding of the hard decisions public-sector officials must make. But, as one funder put it: "There is a different situation this time around. No one is really being caught by surprise. We remain sympathetic, but we cannot step into the government's role. It is time for a broader debate."

Should such a debate be necessary, the evidence suggests that each sector in this community has sufficient resources of leadership, enthusiasm, creativity, tenacity, problem-solving skill, and experience with coalition building to make it a spirited and fruitful one.

Case Study 3

Charlotte, North Carolina

SPORTS ENTHUSIASM, social grace, and civic duty coalesce during the Memorial Day weekend each year in Charlotte, North Carolina. The annual "World 600 Grand National Stock Car Race" is a major community occasion. All of Charlotte society turns out for the black-tie ball that kicks off the race weekend. Tickets cost $175 per couple and the proceeds benefit local children's charities. This combination of enthusiasm, beneficence and "establishment" involvement typifies Charlotte. Its economy is robust and its business, government and civic leaders dream of making it a great city. They hope to realize that dream through dedication to community planning, cooperation and high levels of community participation.

Gold, Textiles and Financial Services

At the end of the 18th century, gold was discovered in the Carolina piedmont region close to Charlotte, and the city was a center for gold production for the half-century before the California Gold Rush. Late in the 19th century, textile manufacturing was introduced into the Carolinas and became a major industry in the Charlotte area. In 1985, while North Carolina as a whole had an unemployment rate of over 7 percent, Charlotte's rate was 4.4 percent. The city is recognized as the financial center of the Southeast, the home of 12 banks with more than $55 billion in assets and a branch bank of the Federal Reserve System.

Almost 1,500 new firms bringing more than 28,000 new jobs have moved into the area in the last decade. In the same period, the population has grown by 20 percent to 337,000. (Minorities account for 25 to 30 percent of the total.) Among the features that attract new companies to Charlotte and the surrounding Mecklenburg County area are the city's central location and its attractive transportation mix. Charlotte's Chamber of Commerce boasts that "over half the population of the United States can be reached from Charlotte within an hour's flight time or one day by truck." It has easy access to major interstate highways, service by two rail lines (with freight service on more than 250 trains that pass through weekly), and a modern, international airport. For the airborne traveller, sparkling new skyscrapers built downtown within the last dozen years define the beginnings of a "big city" skyline. The real estate market in the area has experienced a steady rate of growth in recent years—a rate that is expected to continue or even to accelerate.

Banking companies are prominent in Charlotte: NCNB and First Union are headquartered there and Wachovia and Barclay's America have a major presence. Other companies headquartered in Charlotte include Duke Power, the local utility, Lance, Inc., a food manufacturer, and Belk Brothers, a retailer. IBM also has a significant operation in the area.

Participation and Responsibility

Charlotte's corporate- and voluntary-sector leaders point with pride to a long history of effective, responsible and corruption-free city and county government. The city of Charlotte is governed by a mayor and an eleven-member elective City Council. The Council appoints a full-time city manager to carry out its administrative duties. Mecklenburg County's governing body is a five-person, voter-elected County Commission, with a full-time county manager. Public- and private-sector leaders share a mutual respect—one reason, they believe, for the success of their many cooperative efforts.

Voluntary agencies benefit from the active involvement of top corporate executives on their boards: Community participation is ingrained in the local business culture. Leaders of businesses moving into Charlotte are promptly made aware of the expectations of their peers. Local observers say that community leaders want to do the right things to alleviate human suffering and meet human needs. "There is a real wellspring of humanitarian concern," says a recently-arrived corporate executive, comparing Charlotte to other communities in which he has worked.

Human-service practitioners not only want to do the right thing—they want to do it in the *right way*. Professionals in county government and in private sector agencies are pursuing the state-of-the-art in their human-service efforts, whether these be needs assessment, the reorganization of the county human-services department, or development of a new, countywide management information system. The output from such efforts is sometimes sophisticated, but the practitioners note that the decision makers who use it (often CEO's or other community leaders) expect a high level of professionalism.

The Environment for Human Services

Planning for human services in Charlotte has a long history and is closely tied to the United Way. Says one corporate executive: "Since the 1930's the United Way has *been* community planning." The organization has strong corporate support, with top-level corporate executives heavily involved in service on its board. Its annual work-place campaigns are taken seriously, and the United Way always makes its total campaign goal. In 1984, more than $10 million was raised to support its 33 member agencies. Public-sector responsibility for human services rests with Mecklenburg County's Department of Human Services, which administers a social service budget of about $80 million, plus additional funds for public health, mental health and other human services. County and United Way human-service planners maintain a close working relationship.

Public-and-private-sector sources say that much of the funding for human services is generated locally. They agreed that there was a sense that people want to do things for themselves in their own community. One agency official said: "If we in the private sector can't do it, what is government going to do?" This belief, it was acknowledged, reflects a "very conservative" viewpoint, but "most cities in North Carolina have that attitude."

Beyond local funds, funding is available from federal sources, such as social service block grants, some of which are matched by the County. (Federal revenue sharing dollars are generally earmarked for education.) State funding for social services was said to be below the national average. Nevertheless, Mecklenburg County has been successful in attracting state funds and in capturing "lapsed" funds not used by other counties in the state. Overall, there is a comfortable funding base for human services in Charlotte. Yet United Way officials say, there are pockets of need and distress, especially among the working poor and those at or near the poverty level.

The United Way: Planning and Coordination

When human-service needs or problems are brought to the surface in Charlotte, the business community usually expects the United Way to take action. In some cases, the United Way staff uncovers new needs in the process of interacting with member and nonmember agencies. In others, community-oriented CEO's or members of Charlotte's highly visible Junior League call attention to problems they have encountered through participation in the community. If public-sector involvement is required, the United Way frequently acts as the bridging agent between the sectors. In addition to the boards necessary for its own administration and governance, the United Way houses the following activities:

- A *Human Service Planning Board* is charged with sponsoring "cooperative public and private efforts in meeting human needs." Among its 1984 activities were sponsorship of a comprehensive problem-identification study; work on a cooperative project with the city and county to develop an information-management system for human services; and a study of the local process for delivering emergency financial assistance.
- A *Council on Aging* offers outreach, education, information and referral, and advocacy related to needs and problems of senior citizens. A local senior center is a cooperative effort with city and county governments. During 1984, a conference on housing options for older adults and a briefing for newly elected state officials were among the Council's activities.
- A *Community Resources Board* operates an information and referral service for individuals and agencies, as well as workshops and briefings for agency professionals and local organizations interested in human services. Other projects include a center to stimulate, plan and coordinate local volunteer activities, a management-development program for agency professionals; a Christmas Bureau to help needy families during the holidays; and oversight of the United Way's "workplace presence program."
- A *Capital Funds Board* coordinates communitywide capital campaigns for both member and nonmember agencies of the United Way. It also administers funds (raised in the annual United Way campaign) that are designated for major improvements, repairs or equipment required by United Way's member agencies.

A Comprehensive Review of Human-Service Problems

Although the United Way has been involved in planning since the 1930's, work was "piecemeal," targeted at individual service areas rather than encompassing the total human-service delivery system. By the early 1980's, the community began to experience rapid growth and change—a process that was expected to continue. Annual United Way campaigns had increased the funding base to a point where a $10-million figure would soon be reached. In order to make informed and responsible decisions about priorities and allocations, the United Way's staff, executives and board members agreed that they needed more comprehensive data.

After reviewing a number of community studies carried out in other cities throughout the country, the United Way's planning staff recommended a problem identification model, patterned on a study done by Minneapolis' United Way a few years earlier. This approach eschewed an investigation of individual services and the agencies that delivered them, concentrating instead on problems and on the strategies that might be used to tackle them. Such an approach would satisfy the board of directors, which wanted the study to be comprehensive. In addition, it was described as more saleable than the service approach, since no particular agency would be put on the spot. Underscoring the emphasis on programs rather than services, the United Way affixed the title "Program Emphasis Process" (PEP) to this new series of activities.

Exhibit 1: Problems Identified by PEP Study

Inadequate employment.

Inadequate income and inability to get financial aid.

Illiteracy.

Indequate food supply and nutrition.

Inadequate clothing.

Inadequate housing and utilities.

Inadequate transportation.

Impaired physical health (chronic acute illness).

Impaired physical health (communicable diseases).

Impaired physical health (disabilities).

Impaired mental health.

Impaired social functioning.

Developmental disabilities.

Substance abuse.

Problem pregnancy.[1]

Abuse, neglect, exploitation.[2]

Crime and delinquency.

[1]This category covers conditions surrounding unplanned, unwanted, and adolescent pregnancies, as well as those involving medical risk.

[2]This category covers conditions surrounding domestic violence, child abuse and exploitation of elderly or disabled individuals.

Exhibit 2: Criteria for Rating Problems

1. **Seriousness of the Problem**
   (Number of people involved; trends; degree of severity; interrelation to other problems; extent of unmet need; vulnerability of population at risk.)

2. **Adequacy of Funding Base**
   (Availability of government funds—federal, state and local; trends in government funding—federal, state and local; stability of funding base; availability of private sources of support.)

3. **Appropriateness of Problem to United Way Funding**
   (Is problem mandated as a government responsibility? Are there circumstances that would complicate United Way funding for problem?)

4. **Ability of United Way to have an Impact on the Problem**

Carrying Out the Study

Launched in November, 1982, the study took 15 months and required heavy involvement by the United Way's Human Services Planning Board and its planning staff. Financing came from the United Way. In addition to the commitment of funds, its Executive Director noted the hidden cost of staff time: "It meant that other things didn't get done. We had to slow down our service planning activity." Volunteer time was also extensive. The Planning Board's head was responsible for overseeing the study. Its 21 volunteer members were backed up by an additional 40 volunteers, who brought a wide variety of community experience to their task. The volunteer pool was divided into three work groups that took responsibility for setting priorities and developing strategies for separate clusters of problems.

This is how the process worked:

(1) *Definition of the Problem*: Based on interviews, pertinent literature, and their own knowledge of the community, United Way staff members identified 17 major problem areas. This list was circulated to 112 agencies, public and private, including some that were not United Way members. Comments and suggestions from these agencies were used in developing a final list of problems for the study. (See Exhibit 1.)

(2) *Analysis of the Problem*: After a preliminary orientation session, each of the Planning Board's three task groups was asked to study a set of problems assigned to it, and to determine which ones were most important for the United Way to address.

To aid in this process, the planning staff prepared individual profiles of each problem, using whatever primary and secondary data they could find to characterize the problem, estimate the number of residents it affected, its economic and social costs, and so on.

(3) *Establishing Priorities*: Individuals in each group were asked to assign a priority rating (high, medium or low) to each problem. (See Exhibit 2 for criteria.) Group members then discussed their individual assessments and arrived at a consensus about each problem's priority.

(4) *Developing Relevant Service Strategies*: The task groups were asked to make decisions about the service strategies that might be used to alleviate each problem. Using the results of a survey of a random sample of Mecklenburg County residents it had commissioned during 1983, United Way staff prepared a set of service-strategy concepts and definitions. (See Exhibit 3.) Members of the task group reviewed the concepts and discussed the definitions, and later participated in a set of public hearings for the purpose of identifying service gaps related to specific problems. More than 50 local service providers supplied verbal or written testimony

Following the public hearings, the United Way staff requested additional input from 32 service providers in order to help it develop service strategy profiles. A profile sheet

Exhibit 3: Service Strategy Concepts and Definitions

Individual United Way member agencies deal with the problems of one or more "target population groups" (for example, youth, the elderly, the handicapped) or with the problems of a social unit such as the family. The methods that they use to deliver services vary. These "service strategies" are sometimes directed toward an individual, sometimes toward making the broader community more aware of the problems of a group (abused children, homeless people). These are the service strategy concepts and definitions used by those involved in the PEP study:

Enrichment: To enhance the conditions for growth, making it less likely that problems will develop. Directed at the general population.

Promotion and Advocacy: To identify inequities, protect human rights, work for positive institutional change, promote needed services and assist people in negotiating the system. Directed to the community on behalf of the target population.[1]

Prevention: To change specific conditions associated with the development of the problem. Directed to populations most at risk.

Intervention: To immediately stabilize the affected population's status. Directed at persons affected by the problem.[2]

Treatment: To arrest or reverse the progression of the problem's effects. Directed at persons affected by the problem.

Support: To maintain a level of stability that will allow the individual to participate at home or in the community to the fullest extent possible. Directed at individuals with a continuing problem, or at persons requiring auxiliary services.

[1]For example, making the community aware of the problems of child abuse through a media campaign, educational leaflets or the like, and advocating more funding for services to help victims of abuse.

[2]For example, working with an abusive parent to convince him or her to break the pattern of abuse and helping to stabilize the family environment. Such a step would precede *treatment* to change parental behavior and follow-up *support* services to insure that an abusive parent can can maintain newly developed, non-abusive behavior patterns.

was prepared for each problem area. It listed the kinds of services that might be used to address the problem, the types of service strategies and individual services that were already being used and indicated where service gaps existed. Armed with the profiles and data about current United Way allocation patterns related to each area, the task groups decided on a final rating for each problem and developed a set of recommendations to accompany them.

Exhibit 4: Final Ranking of Human-Service Problems

HIGH: Abuse, neglect, and exploitation[1]; communicable disease[2]; inadequate employment; inadequate food supply; inadequate housing[3]; problem pregnancy[4]; substance abuse.

MEDIUM: Crime and delinquency; developmental disabilities; inadequate income; impaired social functioning.

LOW: Chronic and acute illness; inadequate clothing; disabilities due to injuries[5]; illiteracy; impaired mental health; inadequate transportation.

[1]Conditions covered by this category are noted in Exhibit 1.
[2]Sexually transmitted diseases only.
[3]Emergency shelter only.
[4]Conditions covered by this category are noted in Exhibit 1.
[5]It was recommended that other disabilities, (regardless of the origin of this condition) should be included in other, more appropriate, problem areas

(5) *Final Review of Outcomes*: These ratings and recommendations were reviewed at a general session of the Human Services Planning Board and forwarded to the United Way's Board of Directors.

(6) *Report Preparation and Dissemination*: The final report, issued in February, 1984, ranked each problem as high, medium or low priority; recommended service strategies and suggested shifts in United Way allocations that would be necessary to implement these strategies over time. The results of the study were widely circulated throughout the community. (See Exhibit 4 for final rankings.)

(7) *Implementation*: The outcomes of the study are being used by the United Way's Allocation and Review Board for new or expanded programs during 1984, 1985 and for all programs during 1986.

Assuring a Long-term Impact

PEP has given the United Way an allocation blueprint for its immediate future. Its executives, staff and board believe they must now lay the foundation for a flexible program edifice. They hope to build a structure that can be adapted and changed to meet future needs and challenges. Annual updates of the problem and service-strategy profiles are planned. The outcomes of the first study do point to some needed changes in allocation patterns: The seven problems given a "high" priority ranking currently receive about a quarter of United Way funds, while the four with medium priority receive more than half.

Educating the Agencies:

United Way officials believe that some of the agencies that provide services ranked of medium and low importances

supply the base on which new services can be built. "We're not interested in putting quality agencies out of business," says its Executive Director. Rather, the emphasis is on helping them to change and embrace new needs. United Way officials say that their experience has shown that agencies can adapt to change if they are given clearly defined guidelines and targets. Following publication of its report in February, 1984, the United Way held specialized training sessions for member agencies to familiarize them with the new priorities and expectations regarding service strategies. During 1984, the revised guidelines were used only for decisions regarding new members and new or expanded programs—these were concentrated in "high priority" areas.

Member agencies were given an opportunity to absorb the new guidelines, compare them with their present program, "trim fat," and make adjustments. Agency proposals for 1986 (made in Spring, 1985) were expected to reflect the new priorities and service strategies. Agencies were asked to state their goals and objectives; outline the problems they wished to address; relate their current program to these problems; and outline the service strategies they would use to address the problems. These proposals are being evaluated within the context of the United Way's problem and service strategy priorities. No abrupt cutoffs of support to agencies are expected.

Educating the Broader Public

United Way officials believe it is their job to build upon the consensus reached during the program emphasis study process. They will continue to educate donors and their own board members about the new priorities. Some members of both groups, officials point out, may be more comfortable supporting some of the traditional programs that are now ranked low on the priority list: Time is needed to convince them of the desirability of change. The United Way will do "what the ongoing value system suggests we can and should do." Its Executive Director says his organization has been relatively free of other fund-raising competition—but the environment is changing. If the United Way is to demonstrate its responsiveness, he believes, it must develop plans that reflect changing community needs and incorporate them into its allocation scheme. "We need more than 51 percent of the vote; we have to demonstrate that we're on the right path," he says.

Non-United Way Agencies

The 33 United Way member agencies in Charlotte supply a large portion of the private human-service delivery in the area. There are, however, an estimated 250 agencies in the area. Most of these are smaller agencies that may receive funds from individuals, church groups, government agencies (city, county, state or federal), local foundations and at least a few corporations

Several local observers noted that it is not easy to become a United Way member. While United Way has on occasion financed the beginning of new agencies or programs, most agencies must prove themselves by operating independently for a time. An agency must demonstrate that it has a sound administrative structure and a responsible Board of Directors.

United Way funds are sometimes available to nonmembers as a special project grant, to "seed" a new agency or program. As the United Way implements programs in priority areas identified by the PEP study, it expects to allocate more of its funds toward purchase of services. Thus, nonmember agencies may eventually receive funds on a contract basis.

Cooperation with Mecklenburg County

United Way officials and those in Mecklenburg County's Department of Human Services are exploring ways in which they can become more effective through coordinating some of their efforts. They are experimenting with the joint development of an information management system. Moreover, in Spring, 1985, the United Way's Human Services Planning Board and the Mecklenburg County Human Services Council agreed to investigate the development of joint Human Service planning. They decided that the United Way's PEP would be the basis for the joint work. The first phase of this public, private effort was designed and completed in Fall, 1985. The officials believe that their effort is one of the few instances in the nation in which the two sectors are cooperating on determining their human-service priorities.

The Public Sector's Role in Human-Service Delivery

In North Carolina, the county government is usually responsible for administering the delivery of human services. Mecklenburg county's 1985-1986 budget for social services was close to $80 million, 20 percent of which comes from county sources. The county has a reputation in the state capital for aggressively hunting state funds, including those not used by other counties. Residents joke that they have been dubbed "the great state of Mecklenburg." The city of Charlotte administers a few human-service programs in areas of housing, employment services, and transportation.

Federal funds are also available. Although they are put to use in specific programs, both public-and private-sector sources agree that their current services have not been *seriously* affected by the federal funding cuts of the early 1980's. They do acknowledge, however, that future cuts could have an impact on programs in new areas of need: Some federal funds have been used to "seed" and nurture services to meet emerging needs. Moreover, cuts in basic federal programs, such as Aid for Families with Dependent Children (AFDC) and Medicaid, could have a major impact on the county—more than half of its social service funds come from Federal sources.

Reorganizing and Consolidating Human-Services Administration in Mecklenburg County

Within the last few years, officials in Mecklenburg County have taken major steps to reorganize its human-services system. The organizational structure that had developed around past needs had outgrown its usefulness. There was much fragmentation, and no unifying rationale. As a first step toward centralization, governing boards of three autonomous county departments were abolished, and their powers were transferred to the Board of County Commissioners. With the help of a Human Service Advisory Council, comprising public- and private-sector leaders, there was a thorough review of program and organizational needs. The outcome was the consolidation of nine separate county departments into one Department of Human Services

With the Advisory Council continuing its oversight function, considerable effort has since been invested in building the new centralized unit, and the work is not yet complete. The assignment of consolidating support services for the new unit was carried out by six task groups of staff members. A special "Direct Services Task Force" accepted the challenge of finding a theoretical model around which to develop an organizational structure for the new department. (Formerly, at least three separate models had been used by the individual departments.) The group selected a "problem-centered" model as the one most comprehensible to clients and responsive to their needs. This model combines clients' own perceptions of their problems with objective data gathered by the agency that will address the problem. Agency and clients develop a joint plan to alleviate the problem.

The implementation phase is just beginning. As a first step, the establishment of three departmental divisions is being considered. They will be organized around problem areas. One will focus on problems related to physical health, the second on mental health, and the third on problems resulting from socioeconomic status. Individual service or budget units will be organized around primary functions or strategies (e.g., treatment, prevention, intervention, advocacy).

To guide this crucial phase, Implementation Teams will be assembled. Members will be drawn from the staff of the Department of Human Services and the membership of the Human Services Advisory Council. Strengths in planning, program evaluation, public relations, records and business management, resource management, and organizational development will be emphasized.

The final challenge will be to complement the new structure with an organizational climate that is responsive to the dynamics of change: one in which innovation is encouraged and supported. A communications and briefing program is planned as a first step toward promoting better understanding among staff, management and county officials.

Like the United Way, the county government has recently been reorganizing and adapting its human-service programs to reflect current realities and future needs. The jointly sponsored information-management system already discussed is one indicator of this activity. Another is a far-reaching overhaul of the organizational structure for human-services administration. A newly formed Department of Human Services replaces a more fragmented structure. Its executive, an assistant county manager, is one of three under the jurisdiction of the Board of County Commissioners. (See box above.)

One of the responsibilities of the County Commissioners is to assume the figurative ear-to-the-ground posture and keep attuned to all community needs: It is their job to set annual priorities for all county services. Human services must compete for its place. Once these priorities have been set, human-service administrators see themselves as implementors. One of their major responsibilities is to safeguard flexibility in the system. It is important, says the Assistant County Manager, to refrain from institutionalizing programs. If demographic or other factors change, the Department of Human Services must have the ability to reallocate resources swiftly. In her newly organized Department, she hopes to supplant rigid bureaucratic structures with interdisciplinary meetings, interactive management teams, and quality circles.

Current Human-Service Priorities

In recent years, the County Manager has placed increased emphasis upon involving the County Commissioners at an early stage in Mecklenburg County's annual budgeting process. Each Fall, "betterment" requests—involving service expansion, new programs, and measures to improve efficiency—are submitted to the Commissioners. In the ensuing months, requests are reviewed and given priority ranking. By January, priorities are communicated to department heads, in time to be fed into budget planning for the new fiscal year.

The Human Services Department currently concentrates its "betterment" resources in five areas. Reflecting both new and continuing priorities, these are: adolescent pregnancy; home care for the elderly (especially chore services); sexually transmitted disease; juvenile problems (with latchkey children as a particular focus); and emergency housing. Because age may make them dependent, two target groups are believed to have special problems: children and the elderly. Both of these groups fit within the broader theme which has emerged from the County's reorganization of human-service programs: Keeping families together. (This is also a federal human-services priority.) Local officials say that protective care for both children and the elderly will be one of their major thrusts. Related problems include the need for chore

workers and home workers so that older residents can stay out of institutions, and day care centers for both children and adults. Some thought is being given to mixed day care facilities in which senior citizens might work with latchkey children. The children might provide after-school services for the adults, while the seniors, in turn, could serve as "grandparent" models.

The Private Sector's Role

Sources of private sector funds in Charlotte include corporations large and small, at least five of which have company foundations; a large foundation, the Duke Endowment; a community foundation, The Foundation For The Carolinas; and approximately half a dozen family foundations. While the corporations usually support a wide variety of activities, some of the foundations have a specialized focus, such as religion or higher education

Church groups are also active in Charlotte. In the human-services area, a church-sponsored Crisis Assistance Ministry maintains contacts with both the county government and the corporations. The Ministry's effective work led the county to ask it to administer the money in its General Assistance Fund. In addition to handling this task during the past two years, the church group recently become the leading agency in a new Emergency Financial Services Assistance Center. The United Way and the county will underwrite the administrative costs of this new Center, while Charlotte churches will provide money to finance the direct services given to individuals.

Charlotte Corporations

While it is not true that every corporation in Charlotte has a well defined contributions program, top managements of a broad cross section of companies are heavily involved in service on nonprofit agency boards and in cooperating to "make things happen." Contributions officers in those companies that have formal giving programs readily admit that they are not the initiators in the community. Rather, needs are brought to the surface by the Junior League, the local Chamber of Commerce, United Way, and their own CEO's. Contributions officers provide top management with the staff support necessary to screen local agencies, decide on appropriate funding and evaluate the outcome.

Contributions officers say proudly that there is a real absence of intercorporate jealousies within the Charlotte community when it comes to philanthropy and community service. Leadership of individual fund-raising projects is shared among the CEO's. One contributions officer says: "The expectations aren't written down anywhere, but they are openly talked about at the CEO level." Since financial services is the dominant industry in Charlotte, these companies have been willing to take a leadership role in most projects. But, a contributions officer from a nonfinancial services company observes: "The banks have not been willing to get so far ahead that there is a big difference between where they are and second place. They have pulled the rest of us along."

Since the United Way is such a strong presence in Charlotte, most corporations meet the human-service quotas in their contributions budget through donations to its annual campaign. Nevertheless, some companies will support non-United Way human-service agencies in which their employees are involved or because an agency has sound management and a solid program, but does not "fit under the United Way umbrella." Contributions programs vary to fit the needs and community presence of Charlotte companies:

- *NCNB* is the larger of two major banks headquartered in Charlotte and has a high involvement in most community projects. Overall, 70 percent of its contributions budget is split equally between education and health and human services. It emphasizes United Way giving in all communities in which it has a presence, attempting to be either the top giver or the leader in the banking industry. In the past year, its contributions officer has made a concerted effort to meet new human-service needs by funding non-United Way agencies, provided they are outside the scope of United Way, are not duplicating available services, and have a solid three-year plan. About 10 percent of NCNB's budget goes to fund local civic and community projects. The remaining 20 percent is invested to support the arts—due to a conscious decision to help differentiate NCNB from other companies and to promote corporate visibility. One such investment was Spirit Square, the rehabilitation of a church in downtown Charlotte into a small performing-arts theater. NCNB officials believe that this was the pivot point for turning around arts awareness in Charlotte.

- *First Union Corporation* is the second of the major banks with a headquarters in Charlotte. Among its major priorities for community support are United Campaigns (for the arts as well as human services), economic education, and citizenship and community development. In 1985, the bank devoted the largest portion of its corporate contributions budget to health and human services (39 percent), half of which went to United Way. About a third went to education. Support for arts organizations represents a healthy 18 percent. Increased emphasis on housing and job-training projects has resulted in a slight increase in the portion of the budget devoted to the civic and community area. The company supported a Habitat for Humanity project, launched in Charlotte, and directed to provision of housing for low-income families. First Union also supported the Charlotte Urban League job-training center, recognizing that there was a payoff to the bank (since it was training the kind of employees a bank needs). Volunteerism is promoted at top-management and staff levels. First Union's Vice President for Contributions and Community Affairs serves on the County's Human Services Council and chairs the United Way's newly-initiated strategic planning process.

• *Duke Power's* corporate motto is "Citizenship and Service." The utility tries hard to exemplify these traits in its business and community contacts, says its Director, Corporate Contributions. An electric utility serving both North and South Carolina, Duke has its headquarters in Charlotte. Almost half of its contributions budget is devoted to health and human services, much of this going to United Way. In the past year, its combined corporate and employee contribution to the United Way was the largest in both of the Carolinas. While holding this portion of its budget steady, it has been placing increased emphasis on support of arts and education in the last few years. This may have some negative impact on the amount it gives to the civic and community area, as well as to miscellaneous grants. Voluntarism is stressed throughout the company, with employees involved in United Way campaigns, the arts, and, extensively in tutoring programs in local schools.

Duke has received the President's Citation for its Winterization and Fuel Assistance Programs. During a two-and-a-half year period ending in 1984, the company invested $2 million, recruited and trained volunteers and donated materials for weatherizing projects for 37,000 homes throughout its service area. Its ongoing fuel assistance program, the Community Challenge Heating Fund, involves a challenge grant to local communities: In 1983, Duke donated $100,000 that was matched on a four to one basis by the local communities; in 1984, Duke donated $150,000 to be matched on a three to one basis by local communities. The $500,000 collected in 1983 and $600,000 collected in 1984 have been administered by nonprofit organizations and were used to pay the fuel bills of the needy throughout Duke's service area. (There is, Duke officials say, *no* stipulation that the recipients use electricity for heating purposes.) In 1985, Duke expects that its challege grant activities for fuel assistance will generate about $2 million in its service area. It increased its Community challenge to $300,000 and introduced a "Share the Warmth" program. Customer donations for fuel assistance in amounts ranging from $1 to $10 are matched on a ! to 1 basis up to a total of $400,000.

• *IBM* has a nonheadquarters presence in the Charlotte area, where it employs about 5,600 people. This means that it is not as likely to take the lead in major campaigns, says its local Manager, Communications and Community Affairs, although it usually does its share. Requests for large grants are referred to headquarters and must be justified by the local manager. Corporate policies help to shape participation at the local level. In addition to cash grants, Charlotte's IBM facility has made gifts of technical equipment to local colleges and universities, and of personal computers to the local public-school system. More than 300 items of non-IBM surplus equipment (such as desks and beds) were given to a variety of area organizations. Since the company is dependent on a technically trained work force, it places a heavy emphasis on support of education, and involves employees by matching of their gifts to institutions of higher education on a two to one basis. (Two IBM dollars to one employee dollar. This match also extends to cultural and health care institutions.)

In addition to its gift to United Way, IBM supports various community groups, including non-United Way human-service agencies, through its Fund for Community Service. This program allows employees, retirees or their spouses to apply for company support for a nonprofit organization in which he or she has a "continuing, active involvement." Its local community-affairs executive says that some human-service organizations brought to his attention through this process have been given continued support.

Job training for disadvantaged persons is another IBM priority. In Charlotte, it provides instructors, supplies and services to the Urban League's Word Processing Job Training Program.

Charlotte's Community Foundation

Community foundations are mechanisms that draw funds from many local donors, invest these dollars, and distribute support to a variety of philanthropic activities in a specified geographic area. Their board members are selected to represent a widely diversified array of community expertise. *Foundation For The Carolinas*, a community foundation based in Charlotte, restricts its grant making to North and South Carolina, with an emphasis on the greater Charlotte area. Since its establishment in 1958, the Foundation's asset base has grown from a few hundred thousand dollars to over $13 million. In 1984, it received $3.7 million in gifts, and distributed $2.4 million to more than 500 organizations.

Currently, the Foundation administers 25 corporate funds on a donor-advised basis. There are 300 funds established by individuals, representing all four types described in the box below. Endowments have been set up for approximately 50 local community organizations, extending from the YWCA to the local symphony and a newly established hospice. The Foundation has established a special endow-

Foundation For The Carolinas Administers a Variety of Funds

Gifts to the Foundation may be *restricted* by the donor for specific purposes (e.g., education or cancer research). Another alternative, a *donor-advised* fund, allows a giver to make recommendations on how the money should be distributed; the Foundation's Distribution Committee makes the final determination. This committee also makes the final decision in cases where donors give funds on an *unrestricted* basis. *Endowment* funds, either broad or restricted in their purpose, may also be set up within the community foundation. In such a fund, the principal remains intact while the net income realized from its investment is distributed. This approach can insure long term support for an endowed organization or cause.

ment fund that draws gifts from a variety of sources in the community. The fund provides a portion of the Foundation operating costs and seed money to new programs or projects that promise to contribute useful services to local residents.

Foundation For The Carolinas' officials point to a variety of benefits they offer to donors. These include responsible management supervised by a 36-member board of directors composed of community leaders. The board's Finance and Audit Committees provide fiscal oversight. An 11-member Distribution Committee meets on a monthly basis to review all grant recommendations and insure that the recipients are eligible, responsible organizations.

In 1984, grants to human services (31 percent) and educational organizations (34 percent) accounted for more than half the funds disbursed. Organizations in the visual and performing arts field received 13 percent and religious organizations 10 percent. The remainder was apportioned among health and medical research activities, youth organizations, and miscellaneous grants.

The Duke Endowment

While some individual donors choose to place their philanthropic funds with a community foundation, others establish their own foundations. The best known example in the Charlotte area is the Duke Endowment, established in 1924 as a perpetual trust by James Buchanan Duke. With market value assets of over $650 million in 1985, it is the twelfth largest foundation in the country. Like the Foundation For The Carolinas, the Endowment's funding is limited to North and South Carolina. The bulk of its $38.9 million grants in 1985 were targeted to education (54 percent) and health care (36 percent). Child care institutions and rural churches are the beneficiaries of the remainder. (See Exhibit 5 for a statement of the Endowment's priorities.)

Although the area of human services is not its major focus, the Endowment's involvement in capital support for hospitals in the Charlotte area and elsewhere helps lift some of that funding burden from other sources. Its projects in child care are more directly related. Along with other public-and-private sector funders, the Endowment has given support to a new home for abused and neglected children in Charlotte, and has helped to launch a pioneering effort to establish a child care resource and referral agency. (See page 53.)

The Endowment is particularly proud of its Development Assistance Project, an effort to aid child care agencies that need new funds to replace those lost through discontinuation of federal subsidies. Duke has co-sponsored a series of annual conferences in which 40 administrators and development officers from area agencies met with national experts to consult about fund-raising and related development techniques. Since 1983, there have also been quarterly meetings, organized by the Endowment. Such meetings give agency personnel an opportunity to share information and tips on successful techniques. Endowment staff members make regular visits to each agency to provide advice and technical assistance. As a result, agencies have been able to establish their own offices of development and planned giving—several have doubled their gift income in just a few years. For example, a children's center in Charlotte received gift income of $109,000 in the year before it entered the program and had built its gift income to $371,000 two years later.

Although there are limits upon the funds it can make available to organizations that do not fall within its priority areas, the Endowment can and does operate as a community resource in the Charlotte area. Since there is a heavy emphasis on technical assistance in many of its programs, it has staff experts in such areas as technical design and planning, and consultation related to operational efficiency, staff size, and the like. The Endowment's experts may be asked to sit in on the planning stages of community projects, even if they lie outside of its funding areas. (Or, staff members may offer their services on a volunteer basis.) Recently, it agreed to become an official regional library for the Foundation Center—a national reference network for those requiring information on foundations and fund raising. The Endowment is purchasing the necessary reference volumes and making the library available to the public. To launch the Center, it sponsored a workshop on "grantmanship basics" for area agencies. The room was filled to capacity by 85 agencies—another 40 were turned away and were invited to a subsequent workshop.

Exhibit 5: A Philanthropist and His Beneficiaries

When James Buchanan Duke established a perpetual trust in 1924, known today as the Duke Endowment, he limited grant making to five primary groups of recipients in North and South Carolina:

- Four educational institutions: Duke University, Davidson College, Furman University, and Johnson C. Smith University,for general and specific purposes.
- Nonprofit hospitals in North Carolina and South Carolina, for improving and expanding facilities and for indigent care.
- Nonprofit child-care institutions in North Carolina and South Carolina, for care of orphans and half-orphans.
- Ministers, retiring from pastorates in the two North Carolina Conferences of the United Methodist Church; widows and dependent children of ministers who have served in the two Conferences, for support and maintenance.
- Rural United Methodist Churches in North Carolina, for building and operations.

According to the Endowment's annual report, today's trustees seek, wherever possible, to "encourage projects and programs of significance to the Carolinas and the nation."

The Service Deliverers' Role

In a community such as Charlotte, where serious attention is given to planning, it is difficult for a major agency to survive if it does not adapt to changing needs. United Family Services, one of Charlotte's vintage service agencies, has grown and changed with the community. When new needs have been unearthed by Charlotte's action-oriented leaders, this agency has often been the source of a service response to the problem.

Sometimes, there is no existing agency that can adequately respond to a new need. Child Care Resources is a new agency, created by a coalition of community leaders to meet a pressing local demand for resource and referral services for working parents. The individual stories of these agencies illuminate their own roles and those of funding sources in Charlotte's public and private sectors.

United Family Services

Founded in 1909, United Family Services has grown and changed from an agency whose primary purpose was to weed out "professional beggars" and help the "worthy poor" to one that administers a $1.2-million budget to "promote quality family living for any person who lives or works in Mecklenburg or Union County." The agency receives more than 60 percent of its budget from the United Way. It receives no federal funds, but other levels of government provide almost a quarter of its revenues. The remainder comes from fees and other sources.

In addition to almost 1,300 families it served on a continuing basis during 1984, it extended aid to 7,400 new families in that year. Counseling is a major service, but this agency also houses a Big Brothers and Big Sisters Program, a Victim Assistance and Rape Crisis service, a shelter for battered women, and other services. (See Exhibit 6.) To remain responsive to community needs, the agency must be flexible, its Executive Director says. While he and his staff try hard to do long-range planning, this becomes difficult "beyond six months." As an indication of changes in recent years, he points to the agency's decision to move out of adoption services in the 1970's, when the number of children available for placement dwindled. Continued diversification has meant a move away from heavy emphasis on clinical counseling techniques and programs toward those in crisis intervention, crisis prevention and life enrichment.

United Family Services has made a conscious decision not to seek federal funds. Its management believes that this route offers too great a temptation to develop programs that will meet federal-funding priorities rather than those that reflect local needs. When new family service needs arise in the Charlotte area, programs or agencies are often "seeded" with United Way funds. The seed money frequently attracts some city, county or state dollars. As the new services become viable, they are sheltered under the United Family Services administrative umbrella. Sometimes, small agencies seeking United Way funds are urged to merge with United Family Services in order to get the benefit of a stronger board and administrative oversight. In some cases the matchmaking works. In other instances, either the smaller agency or United Family Services has declined, believing that the proposed merger would be a poor service or management fit.

Exhibit 6: United Family Services Program and Expenditures

Program Divisions:	*Percent of 1984 Expenditures*
Family Counseling	28%
Shelter for Battered Women	14
Consumer Credit Counseling	11
Big Brothers and Big Sisters	10
Victim Assistance and Rape Crisis	10
Family Life Enrichment	6
Special Projects:	
The Adam Project[1]	1
The Mediation Project[2]	5
	85
Support Service	15
	100%

[1]Helps men who are perpetrators of domestic violence break their behavior cycle through participation in a group treatment program.

[2]Helps parents of reorganized families resolve custody and visitation disputes and develop parenting plans that are in the best interests of the child.

United Family Services' wide-ranging activities often involve local corporations. A recently developed program brought together corporations, the agency's consumer-credit-counseling staff, and the public-school system. With the aid of local banks, the Better Business Bureau, and the Legal and Credit Managers Association, the Agency's professional staff developed a series of consumer-credit lessons for the public-school curriculum. The lessons instructed junior-high-school students about the basics of credit applications and use of checking accounts, stressing personal responsibilities as well as benefits. Professionals with related expertise (in areas from banking to bankruptcy court) were recruited within the Charlotte area to teach the courses. United Family Services acted as the coordinating agent.

On a fee-for-service basis, the agency has occasionally worked with corporations to develop employee-assistance programs in areas such as stress management and crisis prevention. Most recently, working with an area gas utility, it has been exploring the development of a counseling program for senior citizens. Some seniors are "at risk" when they become unable to meet their winter fuel bills. United Family Services hopes that early identification and professional guidance (e.g., planning a more manageable annual

spread of payments), can prevent winter health problems and financial crises among elderly home owners.

Child Care Resources, Inc.

Recognition of a new community need brought about the creation of Child Care Resources, Inc. (CCRI). In contrast to the 76-year history of United Family Services, this agency first opened its doors in July, 1982. Two years earlier, the Board of County Commissioners had asked the United Way to study day-care needs and services in the area. An ad hoc committee with representatives from companies, child-care services, and civic leadership spent 16 months studying the care market and developing recommendations. Their responsibilities included an analysis of short-term and long-term needs:

- An immediate concern was a change in state regulations governing reimbursement for agency-operated day-care centers serving low-income parents. This created severe deficit problems for nine centers operated by the Mecklenburg County Department of Social Services; new funding or an alternate plan was needed.
- Increased demands for day care among the total population in the county meant that long-range recommendations were needed.

In the course of its work, the committee reviewed a survey of current child-care facilities; a random sampling of the general population on the topic of day-care needs (carried out by an independent research institute); a survey of local businesses regarding employee needs; and testimony by child-care experts from other cities. The committee recommended the creation of a new, private, nonprofit agency to:

- Function as a center for resource and referral for the general population, and collect data on supply and demand.
- Provide training and technical assistance for day-care providers.
- Contract with the county to carry out the tasks needed to determine eligibility of low-income parents to receive assistance for the cost of day care; assume administrative responsibility for this assistance (financed through Title 20 of Social Service Block Grant funds).
- Consult with business about the child-care needs of employees.

The County, the United Way, and the community leaders agreed to these recommendations, and a six-month mechanism for launching the new agency was set in place. In this half-year period, a seven-member Steering Committee, composed of community "movers and shakers" (including three members of the ad hoc study committee) developed an organizational structure for the new agency; filed for its nonprofit status and its articles of incorporation; developed a funding plan; appointed the first governing board.

During its first few years of operation, Child Care Resources received seed money from the United Way, and became a United Way member agency in 1984. Other sources of support include the County, the Duke Endowment, the Foundation For The Carolinas, and a variety of corporations and local foundations. Its revenues totaled $404,300 in 1984.

Despite the fact that CCRI was created by business and community leaders and had the support of prestigious organizations such as the Junior League and the United Way, it did not immediately become a United Way member agency. Its Executive Director explains that CCRI had to prove itself first. She suggests that the acid test applied to a new agency is:

- Is it needed?
- Is it needed in this form?
- Is there any existing agency that can answer this need?

At the time CCRI opened in 1982, it was a novelty—the only child-care resource and referral agency in either of the Carolinas, says its Executive Director. Demand for services was instant and has been unceasing—more than 57,000 calls were received in 1984. Among its achievements in that year, the agency estimates that it:

- Assisted almost 3,000 middle-income parents in Mecklenburg County in finding child-care arrangements;
- Distributed about 7,700 brochures describing how to choose quality child care;
- Conducted 145 training sessions for Charlotte area day care providers;
- Interviewed nearly 2,600 low-income working parents who needed financial assistance for child care; administered more than $3 million in government funds to aid an average of 1,840 children in Mecklenburg County.

During its three-year history, a major focus for CCRI has been increasing the opportunities for affordable child-care assistance to low-income parents who want to work. The agency's 1984 report noted that more than two thirds of the families currently receiving government assistance through funds administered by CCRI had gross annual incomes under $7,200. Says the report: "It costs the taxpayer more than twice as much to have a family on welfare than it does to pay for child care so that the parent can work. Approximately 80 percent of the families receiving day-care assistance receive no other subsidy. The average period of the child-care subsidy is about two years. This day-care assistance enables the parent to become financially self-sufficient—an independent taxpaying citizen."

A challenge grant from the County sparked a collaborative project among CCRI's board and other Charlotte leaders that is aimed at proving that child-care assistance for low-income families can help relieve some local, state and national tax burdens. When they approved the 1983-1984 County budget, the County Commissions offered a $300,000 challenge to the private sector to establish a pool of money

for purchase of day-care services for children in low-income families. (These funds were above those approved as part of the regular budget, and would be made available if the private sector provided a matching $300,000.)

The president of CCRI's board, a corporate CEO, recommended that a high-level task force be created in the private sector to develop a response to the County's challenge. A ten-person task force, composed of five board members from the United Way and an equal number from the board of the Chamber of Commerce, took an in-depth look at the child-care needs of low-income families.

They concluded that:

(1) The need for such assistance is a community priority.

(2) The long-term goal should be that every low-income parent who wants to work, and needs child care to do so, should have that opportunity.

(3) The responsibility for providing financial assistance rests with government.

(4) The private sector should meet the county's challenge by raising matching funds on a one-time basis, provided these funds were placed in a "recycling" child-care fund. (See box.)

Most of CCRI's services are free, but the agency's charter includes a fee-for-service component—consulting with businesses about the child-care needs of their employees. An important first step, CCRI's Executive Director believes, has been to build the agency's credibility in the business community.

Early on, CCRI organized a luncheon meeting for local executives and discussed the child-care situation in the Charlotte area. As an outgrowth of the meeting, three companies voluntered to allow CCRI to do an assessment of the child-care needs of their employees. This was done, and each company received a report. During 1984, CCRI got its first contractual work. It is providing specialized child-care referral and resource services to employees at IBM's Charlotte facility. CCRI was designated as the local contractor for IBM as part of the company's nationwide child-care referral service. The agency's Executive Director predicts that this move will have a strong ripple effect throughout the business community in the Charlotte area.

The End Result: An Effective Collaborative Process

Observers in Charlotte's public and private sectors believe they have developed an effective process for identifying local human-service needs and making funding decisions—one that will become stronger as plans for more sophisticated data management are realized. When asked what makes the process work in their community, both native and recently transplanted residents point to the quality of leadership in the community, especially that of top-level corporate executives. Service agency officials note that the involvement of corporate and civic leaders is deep and real. They do not just lend their names to the board of directors of an agency: Board meetings are well attended. It is not unusual for business leaders to interrupt their work to take care of a pressing matter

The "Recycling" Child Care Fund

According to a CCRI fact sheet:

"The Recycling Child Care Fund would be a special allocation of money targeted to provide day care for the children of parents who are current AFDC (Aid for Dependent Children) recipients and are able and want to work. Child Care Resources would identify such families and work through existing programs (e.g., Work Incentive, Employment Security Commission, Urban League,) as well as directly with business. CCRI will provide day care as a support service to enable these parents to work. It will keep a record of the day care costs and at the same time document cost reductions for these families in other program areas such as AFDC, food stamps, and medicaid. Savings to government in these other program areas will be presented to county, state, and federal governments each year. The amount of the savings in each program area at each level of government (federal, state, and county) should be allocated for child care and returned (or "recycled") to the Recycling Child Care Fund annually. In this way, the Child Care Fund would become self-perpetuating as long as its cost effectiveness could be documented."

This approach would require the cooperation of county, state and federal agencies to allow funds to be transferred from one program to another. The Recycling Child Care Fund would reimburse CCRI for the cost of administering the Fund. To date, both county and state governments, and the state's senior U.S. Senator and District Representative in Congress have endorsed the concept. The N.C. Department of Human Resources, Division of Social Services, provided technical advice to assist CCRI in getting federal approval. The concept was incorporated into a proposal presented to the U.S. Department of Health and Human Services in May, 1985.

The fund's proponents list the following advantages:

- It is a model for a private-sector initiative, and a partnership between public and private sectors.
- It exemplifies a creative approach that can expand cost-effective services without additional cost to the taxpayer.
- It has a built-in incentive (a savings in "welfare" costs provides additional child care services that would otherwise have to come from tax increases).
- It is a way to help people achieve self-sufficiency.
- It has nonpartisan appeal.
- It is a technique that has potential application in areas other than child care.

The County's challenge was matched by the private sector and the City in 1984. The completion of the project and establishment of the recycling fund awaits a word on Federal Government participation.

affecting a service agency to which they are committed. Long term residents attribute some of this spirit to a family-based tradition of community involvement.

The local culture reinforces both community involvement and self-help. The private sector takes the initiative in many community projects. If public-sector help is needed, that level "closest to home" is the first choice. In fact, the ease with which the public and private sectors work together is identified as a major factor in the ability of Charlotte leaders to get things done.

Apart from the accidents of history and a conscious effort to reinforce and perpetuate a local cultural tradition of community involvement, there are circumstantial factors that contribute to the effectiveness of Charlotte's collaborative process. Observers say that Charlotte's civic leaders and the managers of its public and private service agencies are capable of appreciating and implementing the sophisticated planning and program-development techniques which help a centralized social service delivery system to operate smoothly. The United Way's PEP study and the County's carefully researched reorganization of its Human Services Department are cases in point.

Community largesse is another important factor. While no community is likely to claim it has enough resources, funding for human services does appear to be plentiful in Charlotte. To the degree that there is competition for funds, this comes from institutions of higher education, capital campaigns, and Charlotte's United Fund for the Arts. (The latter is patterned on the United Way, and was launched with its assistance.) Despite a growing demand for funding, observers agree that Charlotte remains an affluent community with a healthy tax base. There are pockets of real need, but no crisis in the human services. Some agency executives report that corporate and civic leaders are so committed to meeting needs that they have on occasion challenged county government to come up with solutions to pressing problems even if it means raising taxes. From time to time, some participants in the system have speculated that services might even be too plentiful: "Are we fostering dependency?" is a question used to test for over-commitment.

Timing is a final factor—Charlotte in the 1980's is, as one corporate executive put it, "a city on the verge." It is a "very self-aware community," one that does not want to follow in the footsteps of other cities that may have grown too fast. Charlotte is hoping to design its own future. Its leaders want it to be not just an "OK city, but a great city."